S0980-1

# COLORADO

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1989

## ROY ROMER
## GOVERNOR

DEPARTMENT OF ADMINISTRATION
FORREST CASON, EXECUTIVE DIRECTOR
CLIFFORD W. HALL, STATE CONTROLLER

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# STATE OF COLORADO

DIVISION OF ACCOUNTS & CONTROL
Department of Administration
1525 Sherman Street, Room 700
Denver, Colorado 80203
(Phone: (303) 866-3261)

January 31, 1990

Roy Romer
Governor

Forrest Cason
Executive Director

The Honorable Roy Romer
Governor
State of Colorado

Dear Governor Romer:

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) on the operations of the State of Colorado for the fiscal year ended June 30, 1989. This report was prepared by, and is the responsibility of, the Division of Accounts & Control, and submitted herein pursuant to Colorado Revised Statutes 24-30-204.

We believe the financial statements are fairly stated in all material aspects; that they are presented in a manner designed to fairly set forth the financial position, results of operations, and changes in fund balances of the various fund types; and that all disclosures necessary to enable the members of the General Assembly, the public, and the financial community to gain a full understanding of the State's financial affairs have been included.

The financial statements contained in the CAFR were prepared in conformity with generally accepted accounting principles applicable to government as prescribed by the Governmental Accounting Standards Board and are audited by the State Auditor of Colorado.

In addition to the General Purpose Financial Statements (GPFS), the CAFR includes: combining financial statements, presenting information by fund; supporting schedules; certain narrative information describing individual funds; and statistical tables and charts presenting financial, economic, and demographic data about the State. The CAFR was also prepared in conformance with standards of the Government Finance Officers Association of the United States and Canada.

The Governmental Accounting Standards Board, in its codification of governmental accounting and financial reporting standards, has established criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. These criteria are:

1. Selection of governing authority;
2. Designation of management;
3. Ability to significantly influence operations;
4. Accountability for fiscal matters; and
5. Scope of public service and special financing relationships.

The State includes within its reporting entity all departments, agencies, commissions, boards, and all State funded institutions of higher education. Excluded from the entity are the college and university foundations and public authorities for which the State assumes no day to day management control, obligation, moral or legal, for their debts, nor reserves for itself any entitlement to their surplus assets.

The following entities were examined and found to be separately constituted quasi-governmental units or foundations directed by independent boards, authorities, or commissions which are financially independent of the State:

Agricultural Development Authority
College and University Foundations
Health Facilities Authority
Housing Finance Authority
Post-Secondary Educational Facilities Authority
Public Employee's Retirement Association
State Compensation Insurance Authority
Student Obligation Bond Authority
Water Resources and Power Development Authority

Additional information about the above entities is presented in the footnotes to the GPFS in this report. In addition, audited financial reports are available from each of the above entities.

## ECONOMIC CONDITION AND OUTLOOK

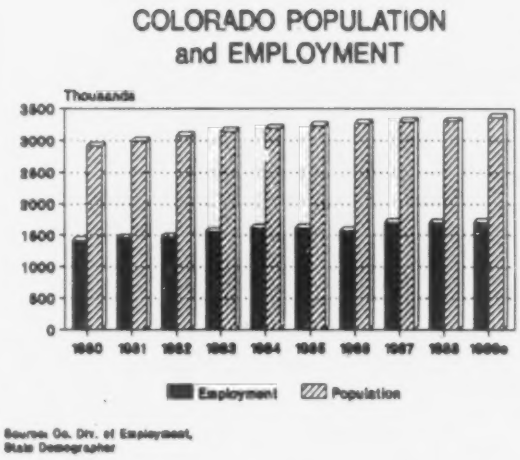
Preliminary data for 1989 indicates that the national economy is slowing. For all of 1989 the economy grew at an annual rate of 2.9% according to the Commerce Department, but the fourth quarter of 1989 grew only at a 0.5% annual rate. That growth rate includes an unwanted buildup of inventories, without which, the GNP would have actually declined.

Nationally, consumer inflation for 1989 was 4.8%, the highest since 1982. As of late, interest rates have been on the rise both in the U.S. and abroad. Rising rates in Japan and West Germany may lead to a withdrawal of foreign investment from the U.S. resulting in rising rates here. The base inflation rate appears to hover between 4 and 4.5%, with fluctuations in energy and food costs resulting in either temporarily higher or lower rates.

Economists are divided on the national outlook for 1990, with the majority leaning toward slow growth as opposed to an actual recession. We look for a growth rate of 2.0% in GNP for 1990 and stable inflation numbers close to the base rate of 4.0% unless there is a major shock in one of the large commodity components such as food or energy.

While the national economy is demonstrating some signs of winding down, the Colorado economy is surpassing last year's performance, indicative of continuing recovery. Colorado may never return to the boom days of the 1970s and early 1980s. Stable, if slow growth appears to becoming

the norm. As the population and employment chart shows, Colorado's growth in the 1980s, with the exception of 1986 and that year's unexpected recession that hit the State, has been on a fairly slow upward trend.




Although Colorado is making progress, in many fronts we have yet to catch up with the gains made in the last few years at the national level. For instance, comparable year to date growth rates for the State and the nation demonstrate that the U.S. job market, housing sector, and nominal personal income are superior to those of Colorado; however, the State's growth in sales is stronger than that of the nation. This could be a function of the low debt to income ratio that Colorado's citizens enjoy relative to the nation as a whole.

During the 1980s over building occurred in residential, office, and retail space. That over building remains a drag on the Colorado economy. Business investment will remain below the levels of 1987 and 1988 for the next few years. Building of the new $5.5 billion Denver Airport will have a major impact on construction during the next five years, as will other major infrastructure projects.

Colorado is becoming a low-cost state for business. It has a well educated work-force, low office rental rates, low housing costs, and a superior climate. Businesses on the east and west coast are finding it difficult to expand due to their inability to attract workers into high living cost locations. These factors, combined with major infrastructure improvements, will work to Colorado's advantage in the 1990s.

## MAJOR GOVERNMENTAL INITIATIVES

The State added Lotto to its Lottery games on January 24, 1989. Gross sales through June 30, 1989 were $16,972,000. A portion of the Lotto surplus is used to finance prison construction.

In June, 1989 a special session of the General Assembly was called to deal with the crisis of prison overcrowding. The results of this session was an appropriation to pay for prisoners to be housed in facilities of the State of Missouri, in county jails, and an increased number of beds in community corrections.

The State has begun installation of a new accounting and financial management system from American Management System which is expected to be operational beginning July 1, 1990. This system should enhance considerably the financial information available for decision making.

The State completed consolidation of three major computer installations into one center at the General Government Computer Center. The two large installations of the Department of Revenue and the Department of Labor and Employment no longer exist.

## BUDGETARY CONTROLS AND ACCOUNTING SYSTEMS

The annual budget of the State for ongoing programs, with the exception of Federal funds, is enacted by the General Assembly through the Long Appropriations Act. New programs are funded for the first time in the enabling legislation and continued through the Long Bill in future periods. For the most part, appropriations lapse at the end of the fiscal year unless the State Controller approves an appropriation roll-forward necessitated by extenuating circumstances. Capital construction appropriations normally last three years.

The budget is recorded in the Central Accounting System along with Federal awards to the various departments. Encumbrances are also recorded and result in a reduction of the remaining budget authority. Encumbrances represent the estimated amount of expenditures that will be incurred when outstanding purchase orders are filled or contracts or other commitments are fulfilled. Open encumbrances are not reported as a reservation of fund balance unless related appropriations are approved for roll-forward to the subsequent fiscal year.

The State's financial records for governmental type funds are accounted for on a modified accrual basis with the revenues being recorded when available and measurable, while expenditures are recorded when goods or services are received and the liability is incurred. Accounting records for proprietary and fiduciary type funds are maintained on the full accrual basis. That is, revenues are recorded when earned and expenses, including depreciation, are recorded when incurred.

In developing the State's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## FINANCIAL OVERVIEW

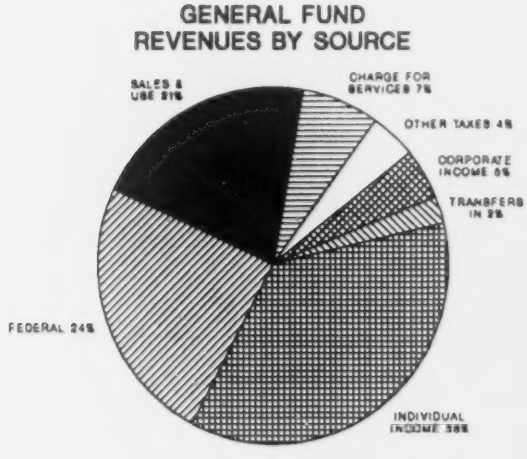
The current combined balance sheet for the State lists total assets of $5,108 million and total liabilities of $1,561 million. Under current accounting principles this difference of $3,547 million is the financial equity that the citizens of Colorado have in their state government. One must recognize that current accounting principles do not include the recording of infrastructure on the State's books. Thus the recorded equity is exclusive of such assets as highways and bridges.

Total State revenues increased to $5,934 million or $375 million over FY 1987-88. This was an increase of 6.7%. The most significant increase came from income taxes which rose by 13% to $1,478 million. Over the last decade, the income tax has become a more important revenue source to the State relative to other taxes.

Total State expenditures rose to $5,668 million or $300 million over FY 1987-88. This was an increase of 5.5%. Since revenues for FY 1988-89 exceeded expenditures then various fund equity accounts were, taken as a whole, larger at the end of the year than at the beginning.

The combined fund equities of the colleges and universities increased by $104 million while the proprietary type funds had an equity decrease of $8.4 million. The balance of the increases occurred in the governmental fund types. These increases give the State the needed flexibility to better manage its financial affairs.

## GENERAL FUND ACTIVITIES




**TOTAL $3.6 BILLION**

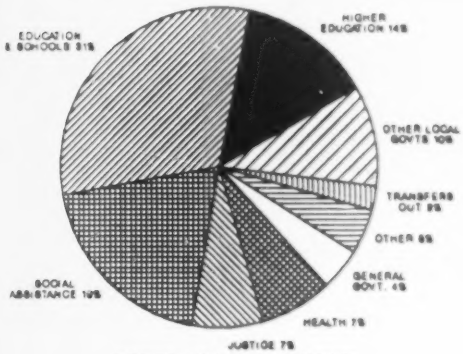
The General Fund is the focal point of any determination of the financial position of the State of Colorado. This fund accounts for all revenues and expenditures that are not required by law to be accounted for elsewhere.

Statute limits the increase in total state general fund expenditures from year to year to 7%. This restriction is imposed through the budget process by the General Assembly and is based on revenue estimates made prior to the start of the fiscal year.

Revenues of the General Fund were surprisingly strong during FY 1988-89. The original estimate made in April, 1988 for general revenues was exceeded by $136 million. Individual income tax was the biggest gainer, exceeding the original estimate by $97 million. In addition, State agencies reverted over $14 million of General Funds that had been appropriated to them. This left the General Fund in a

relatively strong position and invoked a statute requiring excess fund balance to be transferred to Capital Construction as discussed below.

**GENERAL FUND EXPENDITURES BY FUNCTION**

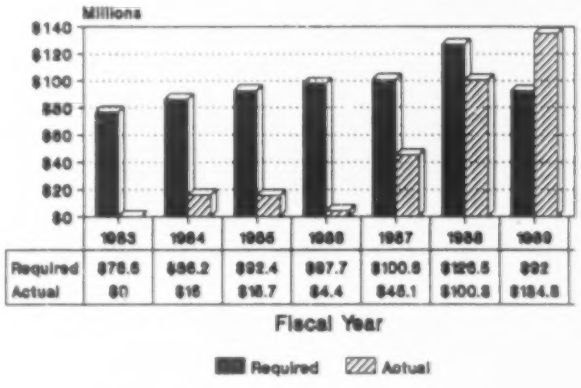



**TOTAL $3.6 BILLION**

Over the last decade there has been a significant shift in the proportionate ratio of general revenues. Ten years ago income and sales taxes were 42.8% and 45.9% respectively of total general revenues. For FY 1988-89 these taxes were 59.5% and 33.5% respectively of total general revenues.

Total expenditures of the General Fund grew by 6.9% over FY 1987-88. Of the major departments of the State operating in the General Fund, Corrections and Public Safety expenditures grew the most rapidly on a percentage basis, 26.0% and 18.6% respectively. This is a clear indication of the recent emphasis in the State budgeting to deal with the prison overcrowding, community corrections, and the pass-through of Federal drug-war money. The largest net increases in expenditures of the General Fund were increases of $67 million of K-12 education and a $39 million increase to Higher Education.

**GENERAL FUND**
**REQUIRED vs. ACTUAL FUND BALANCE**




NOTE: Actual is Unrestricted Only

This graph shows the reserve required per CRS 24-75-201.1(1)(d)(III) at year end and the actual unrestricted fund balance (expressed in millions) at year end. Statute requires that 75% of the unrestricted General Fund balance in excess of the required reserve be transferred to the Capital Construction Fund as of June 30. The special session of the General Assembly in June, 1989, modified this requirement to 75% of the excess reserve above the combination of the required reserve and the special FY 1989-90 appropriations to the Departments of Corrections and Public Safety. Accordingly, at June 30, $48 million was transferred from the General Fund to the Capital Construction Fund. Without the provision for this transfer the unrestricted fund balance of the General Fund would have been $182.8 million.

Although CRS 24-75-201.1(1)(d)(III) requires that 4% of the General Fund appropriation for each fiscal year (6% in FY 1987-88) be retained as the unrestricted fund balance, prior to this year revenue shortfalls have resulted in the State not reaching that goal in any of the last several years.

In September 1988 a restriction of 1% was made on most General Fund appropriations. One-third of the restriction was lifted in January 1989 and the balance was lifted before year-end.

## PROPRIETARY OPERATIONS

Proprietary funds are accounted for using the full accrual basis of accounting as would a private business. Their operations have many of the attributes of a business in that their revenue relates to the provision of goods or services to the State or to the general public. Capital investments of these operations are recorded within the fund and depreciation is accrued using the same methods that private enterprise would use.

Total fund equity for the proprietary funds at June 30, 1989 was $136.7 million. Operating revenues for the proprietary operations were $198 million for FY 1989 while operating expenses were $171 million. Of the operating income $33 million was transferred out of the Lottery, with $20 million going to the General Fund and $13 million to the Capital Construction Fund.

## DEBT ADMINISTRATION

The State of Colorado is prohibited by its Constitution from incurring any general obligation debt. Many higher education institutions, the Guaranteed Student Loan Program, and the Trinidad State Nursing Home have issued bonds and notes with revenues pledged from specific user payments to retire these bonds and notes. Additional information is provided in the footnotes to the GPFS.

On July 1, 1988, the Treasurer of Colorado issued $190 million of Revenue Anticipation Notes bearing an interest rate of 5.2% for the purpose of providing working capital to the State during the year. These notes were repaid in full on June 27, 1989. The State enjoys a high credit rating of MIG 1 with Moodys rating service and SNP 1+ with Standard & Poors.

The Department of Administration issued in September 1988, $63.2 million of Certificates of Participation for its Master Lease Purchase Agreement. These certificates were authorized by House Bill 1274 to lease purchase additional correctional facilities including additions to the Shadow Mountain Facility in Fremont County, a medium security facility near Limon, a diagnostic facility in Denver, and other facilities as needed.

## CASH MANAGEMENT

Statutes permit the State Treasurer to invest cash not needed immediately to pay obligations of the State. These investments may consists of obligations of the United States, commercial paper of prime quality, reverse repurchase agreements, or bank acceptance agreements. At June 30, 1989 the State Treasurer held the following investments:

| Investment Type | Amount in Millions |
|---|---|
| United States Treasury and Agencies | $788.5 |
| Corporate Bonds | 3.6 |
| Other | 25.1 |
| TOTAL | $816.2 |

## RISK MANAGEMENT

The State, its officials, and its employees are self-insured for property, plus general and automobile liability. The Risk Management Fund is an internal service fund used for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the State. The fund is specifically empowered to provide complete self-insurance coverage. There is no excess catastrophic liability policy coverage in force through any private insurance carrier.

The State relies on the Colorado Governmental Immunity Act which limits the State's liabilities to $150,000 per person and $400,000 per occurrence of any wrongful acts. Estimates for unpaid losses are recorded as liabilities of this fund. At June 30, 1989 the fund had assets of $3.7 million and recorded liabilities of $3.4 million.

Beginning July 1, 1989 the State will also become self-insured for Workmen's Compensation. Prior to that date the State was insured by the State Compensation Insurance Authority which is an authority of the State.

## INDEPENDENT AUDIT

The audit of the General Purpose Financial Statements was performed by the State Auditor as required by statute. The opinion of the Auditor is on page 1 of this report preceding the financial statements. In addition to an audit of the state-wide statements, the Auditor will from time to time audit the statements and operations of various departments and institutions within state government.

In 1984, the U.S. Congress passed the Single Audit Act which places a greater responsibility on the State and the Auditor to ensure that Federal monies, whether expended by the State or granted to subrecipients, is properly accounted for. Under the requirements of this act transactions of major federal programs are tested and an opinion is given upon internal control of these programs.

## ACKNOWLEDGEMENTS

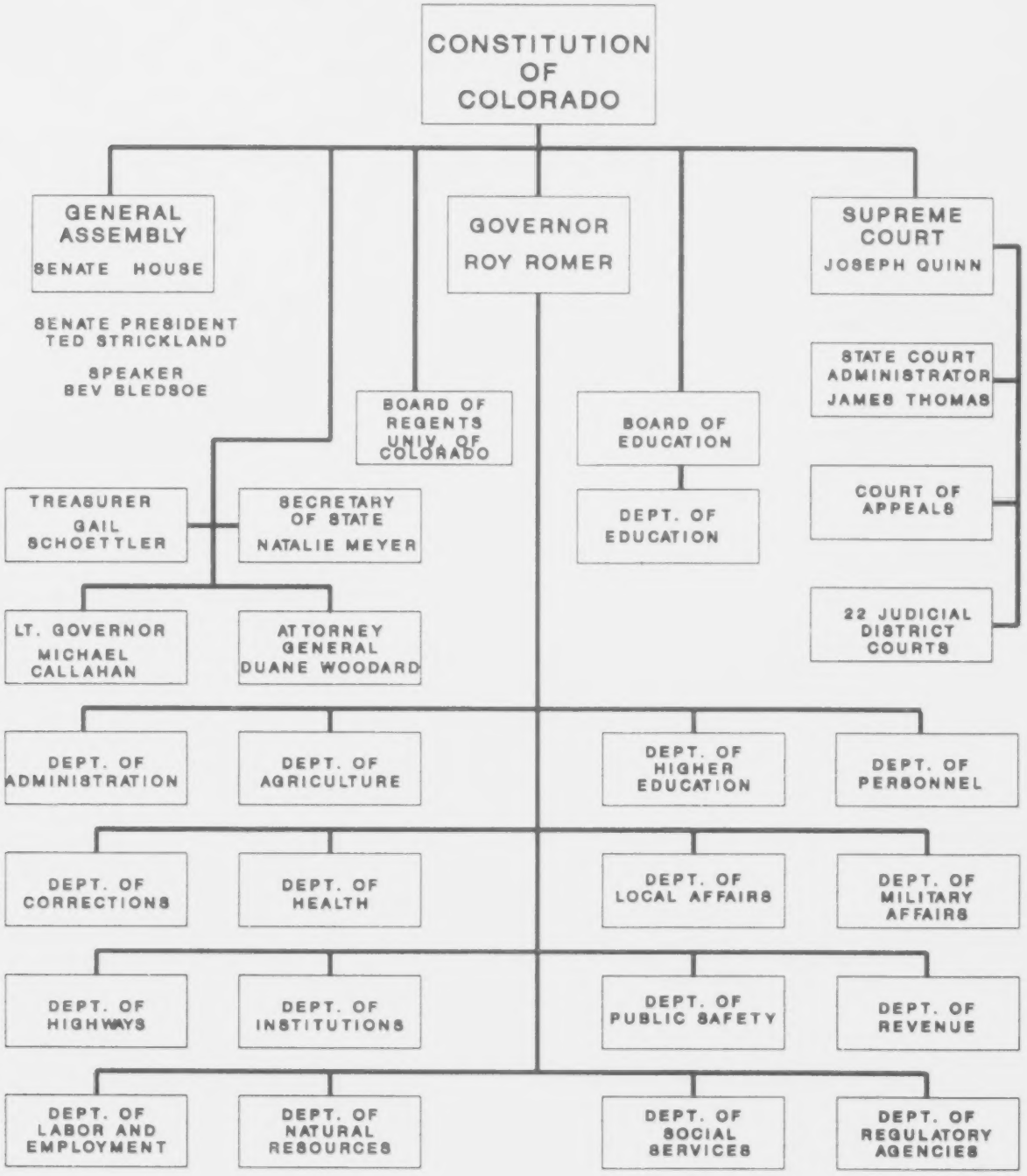
In conclusion, I wish to thank my staff and the staffs of the various State departments and institutions whose time and dedication have made this report possible, and at the same time to reaffirm to you and the citizens of Colorado the commitment that we have to maintain the highest standards of accountability in our financial reporting.

Sincerely yours,

Clifford W. Hall
State Controller

# COLORADO

## PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS



# FINANCIAL SECTION

STATE OF COLORADO

OFFICE OF STATE AUDITOR
(303) 866-2051

TIMOTHY M. O'BRIEN, C.P.A.
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203

January 31, 1990

**Independent Auditor's Report**

Members of the Legislative Audit Committee:

We have audited the accompanying general purpose financial statements of the State of Colorado as of June 30, 1989, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Colorado's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Colorado as of June 30, 1989, and the results of its operations and changes in financial position of its proprietary and similar fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory section, graphic presentations and statistical data were not audited by us, and accordingly, we do not express an opinion on them.

# GENERAL PURPOSE FINANCIAL STATEMENTS

# COLORADO

## COMBINED BALANCE SHEET
## ALL FUND TYPES AND ACCOUNTS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | GOVERNMENTAL FUND TYPES | | | |
|---|---|---|---|---|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS |
| ASSETS: | | | | |
| Cash and Short-Term Investments | $97,245 | $160,001 | $19,707 | $170,145 |
| Investments | 1,929 | - | - | - |
| Taxes Receivable, net | 366,343 | 43,415 | - | - |
| Other Receivables, net | 45,091 | 3,818 | 256 | 3,107 |
| Due From Other Governments | 109,559 | 42,007 | - | 4,628 |
| Due From Other Funds | 11,239 | 3,005 | - | 51,178 |
| Inventories | 58,372 | 17,491 | - | - |
| Other Current Assets | 3,208 | 651 | 214 | 8,267 |
| Property, Plant and Equipment, net | - | - | - | - |
| Other Long-Term Assets | 855 | - | - | 51,563 |
| Amount Available in Debt Service Fund | | | | |
| Amount To be Provided For Retirement Of Long-Term Obligations | - | - | - | - |
| TOTAL ASSETS | $693,841 | $270,388 | $20,177 | $288,890 |
| LIABILITIES: | | | | |
| Net Liability to Pooled Cash | $ - | $ - | $ - | $ - |
| Tax Refunds Payable | 137,410 | - | - | - |
| Accounts Payable and Accrued Liabilities | 132,683 | 63,430 | 1,953 | 10,332 |
| Due To Other Governments | 25,055 | 21,610 | - | - |
| Due To Other Funds | 55,945 | 372 | - | 3,297 |
| Deferred Revenue | 102,594 | 10,267 | - | 8,687 |
| Capital Lease Obligations | - | - | - | - |
| Notes and Bonds Payable | - | - | - | - |
| Accrued Compensated Absences | - | - | - | - |
| Other Long-Term Liabilities | - | 4 | - | - |
| TOTAL LIABILITIES | 453,688 | 95,682 | 1,953 | 22,315 |
| FUND EQUITY: | | | | |
| Investment in Fixed Assets | - | - | - | - |
| Contributed Capital | - | - | - | - |
| Unreserved Retained Earnings | - | - | - | - |
| Fund Balances: | | | | |
| Reserved For: | | | | |
| Inventories | - | - | - | - |
| Encumbrances | 4,349 | - | - | 74,406 |
| Other Specific Purposes | 100,972 | 174,706 | 18,225 | 174,193 |
| Unreserved: | | | | |
| Designated for Capital Construction | - | - | - | 17,975 |
| Designated for Higher Education | - | - | - | - |
| Undesignated | 134,832 | - | - | - |
| TOTAL FUND EQUITY | 240,153 | 174,706 | 18,225 | 266,574 |
| TOTAL LIABILITIES AND FUND EQUITY | $693,841 | $270,388 | $20,177 | $288,890 |

See accompanying notes to the financial statements.

| PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPES | ACCOUNT GROUPS | | | TOTALS MEMORANDUM ONLY | |
|---|---|---|---|---|---|---|---|
| ENTERPRISE | INTERNAL SERVICE | TRUST & AGENCY | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | COLLEGE AND UNIVERSITY FUNDS | 1989 | 1988 |
| $36,720 | $7,530 | $387,486 | $ - | $ - | $230,813 | $1,109,647 | $903,709 |
| - | - | 263,175 | - | - | 49,747 | 314,852 | 269,561 |
| - | - | 92,066 | - | - | - | 501,824 | 481,967 |
| 3,006 | 3 | 7,759 | - | - | 128,398 | 191,438 | 183,729 |
| 15,549 | 80 | 6,006 | - | - | 14,259 | 192,090 | 202,120 |
| 566 | 84 | 2,670 | - | - | 29,121 | 97,864 | 48,041 |
| 5,306 | 969 | 2 | - | - | 23,714 | 105,854 | 104,636 |
| 261 | 96 | 594 | - | - | 12,827 | 26,118 | 19,948 |
| 15,858 | 79,816 | 10,356 | 712,825 | - | 1,442,749 | 2,261,604 | 2,063,098 |
| - | - | 3,286 | - | - | 1,893 | 57,597 | 49,470 |
| - | - | - | - | 18,224 | - | 18,224 | 8,263 |
| - | - | - | - | 230,539 | - | 230,539 | 181,936 |
| $77,265 | $88,578 | $773,401 | $712,825 | $248,763 | $1,933,521 | $5,107,650 | $4,516,478 |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 18,202 |
| - | - | - | - | - | - | 137,410 | 133,442 |
| 11,789 | 6,978 | 17,265 | - | - | 84,053 | 328,483 | 283,631 |
| - | - | 52,906 | - | - | - | 99,571 | 101,965 |
| 247 | 3 | 7,763 | - | - | 30,238 | 97,864 | 48,041 |
| 1,750 | 71 | 3,182 | - | - | 35,464 | 162,015 | 165,439 |
| - | 6,251 | - | - | 111,023 | 98,485 | 215,759 | 166,294 |
| 230 | - | - | - | - | 134,252 | 134,482 | 125,701 |
| 1,295 | 524 | 761 | - | 59,675 | 34,008 | 96,263 | 91,970 |
| - | - | 211,234 | - | 78,065 | - | 289,303 | 254,926 |
| 15,310 | 13,827 | 293,111 | - | 248,763 | 416,500 | 1,561,150 | 1,389,610 |
| - | - | - | 712,825 | - | 1,175,778 | 1,888,603 | 1,726,429 |
| 10,812 | 46,611 | - | - | - | - | 57,423 | 57,902 |
| 51,144 | 28,140 | - | - | - | - | 79,284 | 87,200 |
| - | - | - | - | - | - | - | 5,745 |
| - | - | - | - | - | - | 78,755 | 51,588 |
| - | - | 480,290 | - | - | 255,640 | 1,213,725 | 1,007,155 |
| - | - | - | - | - | - | 8,274 | 7,264 |
| - | - | - | - | - | 85,604 | 85,604 | 83,260 |
| - | - | - | - | - | - | 134,832 | 100,324 |
| 61,955 | 74,751 | 480,290 | 712,825 | - | 1,517,022 | 3,546,500 | 3,126,868 |
| $77,265 | $88,578 | $773,401 | $712,825 | $248,763 | $1,933,521 | $5,107,650 | $4,516,478 |

# COLORADO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | GOVERNMENTAL FUND TYPES | | | |
|---|---|---|---|---|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS |
| REVENUES: | | | | |
| Taxes | $2,432,493 | $413,803 | $ - | $ 3,445 |
| License, Permits, and Fines | 26,546 | 37,463 | - | 3,261 |
| Charges for Goods and Services | 52,785 | 1,055 | 329 | 6,299 |
| Interest and Rents | 57,214 | 2,138 | 689 | 19,321 |
| Federal Grants and Contracts | 872,345 | 221,161 | - | 13,831 |
| Other | 59,282 | 32,136 | 313 | 3,779 |
| TOTAL REVENUES | 3,500,665 | 707,755 | 1,331 | 49,937 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | 154,647 | 5,928 | - | - |
| Business, Community and Consumer Affairs | 102,471 | - | - | - |
| Education | 36,553 | - | - | - |
| Health and Rehabilitation | 263,726 | - | - | - |
| Justice | 261,629 | 30,492 | - | - |
| Natural Resources | 31,098 | 32,111 | - | - |
| Social Assistance | 652,823 | 10,147 | - | - |
| Transportation | - | 414,480 | - | - |
| Capital Outlay | 17,152 | 25,675 | - | 87,796 |
| Intergovernmental | | | | |
| Cities | 36,361 | 54,595 | - | 473 |
| Counties | 311,398 | 89,947 | - | 349 |
| School Districts | 1,075,620 | - | - | 17 |
| Special Districts | 21,410 | 4,672 | - | 644 |
| Federal | 8,548 | - | - | 381 |
| Debt Service | - | - | 6,604 | - |
| TOTAL EXPENDITURES | 2,973,434 | 668,047 | 6,604 | 89,659 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 527,231 | 39,708 | (5,273) | (39,723) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfer-In | 89,742 | 30,000 | 15,235 | 100,717 |
| Operating Transfer-Out | (576,402) | (47,985) | - | (43,267) |
| Future Capital Lease Payments | 1,615 | - | - | 63,365 |
| TOTAL OTHER FINANCING SOURCES (USES) | (485,045) | (17,985) | 15,235 | 120,815 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 42,186 | 21,723 | 9,962 | 81,092 |
| FUND BALANCE, JULY 1 | 198,188 | 152,981 | 8,263 | 185,482 |
| Net Residual Equity Transfers-In (Out) | - | - | - | - |
| Prior Period Adjustment | (221) | - | - | - |
| FUND BALANCE, JUNE 30 | $240,153 | $174,706 | $18,225 | $266,574 |

See accompanying notes to the financial statements.

| FIDUCIARY FUND TYPES | TOTALS MEMORANDUM ONLY | |
|---|---|---|
| EXPENDABLE TRUST | 1989 | 1988 |
| $202,158 | $3,051,898 | $2,778,107 |
| 6,617 | 73,886 | 153,884 |
| 22,166 | 82,634 | 73,804 |
| 27,484 | 106,847 | 81,064 |
| 11,841 | 1,119,177 | 1,073,159 |
| 33,013 | 128,523 | 141,258 |
| 303,278 | 4,562,966 | 4,301,274 |
| 34,724 | 195,298 | 168,206 |
| 1,304 | 103,775 | 130,416 |
| 680 | 37,233 | 33,297 |
| 2,490 | 266,216 | 245,022 |
| 10,543 | 302,664 | 263,672 |
| 201 | 63,410 | 70,477 |
| 159,822 | 822,792 | 847,628 |
| - | 414,480 | 399,526 |
| 181 | 130,804 | 118,114 |
| - | 91,429 | 79,614 |
| - | 401,694 | 387,000 |
| - | 1,075,636 | 1,010,481 |
| 10 | 26,736 | 23,977 |
| - | 8,928 | 8,911 |
| - | 6,604 | 3,193 |
| 209,954 | 3,947,699 | 3,789,533 |
| 93,324 | 615,267 | 511,741 |
| - | 235,693 | 163,312 |
| (22,534) | (690,187) | (571,950) |
| - | 64,980 | 496 |
| (22,534) | (389,514) | (408,142) |
| 70,790 | 225,753 | 103,599 |
| 218,904 | 763,818 | 660,214 |
| - | - | 5 |
| - | (221) | - |
| $289,694 | $989,350 | $763,818 |

# COLORADO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL ANNUALLY BUDGETED GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | GENERAL FUND | | |
|---|---|---|---|
| | REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE |
| REVENUES: | | | |
| Sales and Use Taxes | $ 751,100 | $ 749,548 | $ (1,552) |
| Other Excise Taxes | 82,200 | 85,491 | 3,291 |
| Income Taxes: | | | |
| Individual | 1,492,900 | 1,551,411 | 58,511 |
| Corporate | 198,700 | 193,241 | (5,459) |
| Less Refunds | (221,800) | (266,589) | (44,789) |
| Net Income Taxes | 1,469,800 | 1,478,063 | 8,263 |
| Estate Tax | 16,400 | 15,464 | (936) |
| Insurance Tax | 82,000 | 81,057 | (943) |
| Parimutuel, Courts, and Other | 46,200 | 49,680 | 3,480 |
| Interest Earnings | 12,000 | 15,622 | 3,622 |
| Severance Tax | 8,600 | 10,715 | 2,115 |
| Total General Revenues | 2,468,300 | 2,485,640 | 17,340 |
| Federal and Cash Funding Sources | 1,401,089 | 1,246,939 | (154,150) |
| TOTAL GROSS REVENUES & TRANSFERS | 3,869,389 | 3,732,579 | (136,810) |
| less: Intrafund Revenues | - | (142,172) | - |
| Interfund Revenues | - | (89,742) | - |
| NET REVENUES | | 3,500,665 | - |
| EXPENDITURES: | | | |
| Administration | 17,977 | 17,150 | 828 |
| Agriculture | 13,828 | 12,763 | 1,065 |
| Corrections | 100,582 | 99,376 | 1,205 |
| Education | 1,132,143 | 1,101,291 | 30,852 |
| Governor | 65,734 | 49,882 | 15,852 |
| Health | 133,313 | 128,881 | 4,432 |
| Higher Education | 481,834 | 483,101 | (1,267) |
| Institutions | 205,873 | 201,815 | 4,058 |
| Judicial Branch | 99,731 | 99,071 | 660 |
| Labor and Employment | 65,255 | 51,596 | 13,659 |
| Law | 16,258 | 14,560 | 1,698 |
| Legislative Branch | 19,441 | 16,708 | 2,733 |
| Local Affairs | 116,816 | 72,637 | 44,179 |
| Military Affairs | 4,150 | 3,916 | 234 |
| Natural Resources | 40,173 | 37,482 | 2,691 |
| Personnel | 3,880 | 3,837 | 43 |
| Public Safety | 37,294 | 29,256 | 8,038 |
| Regulatory Agencies | 53,109 | 30,827 | 22,282 |
| Revenue | 59,318 | 56,360 | 2,958 |
| State | 4,459 | 3,858 | 602 |
| Social Services | 994,258 | 966,413 | 27,844 |
| Treasury | 3,932 | 3,752 | 181 |
| Other | 105,877 | 105,481 | 396 |
| Total Appropriations, Exp. & Transfers | 3,775,234 | 3,590,012 | 185,222 |

| SPECIAL REVENUE FUNDS | | | MEMORANDUM TOTALS | | |
|---|---|---|---|---|---|
| REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE | REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE |
| $ - | $ - | $ - | $751,100 | $749,548 | $(1,552) |
| - | - | - | 82,200 | 85,491 | 3,291 |
| - | - | - | 1,492,900 | 1,551,411 | 58,511 |
| - | - | - | 198,700 | 193,241 | (5,459) |
| - | - | - | (221,800) | (266,589) | (44,789) |
| - | - | - | 1,469,800 | 1,478,063 | 8,263 |
| - | - | - | 16,400 | 15,464 | (936) |
| - | - | - | 82,000 | 81,057 | (943) |
| - | - | - | 46,200 | 49,680 | 3,480 |
| - | - | - | 12,000 | 15,622 | 3,622 |
| - | - | - | 8,600 | 10,715 | 2,115 |
| - | - | - | 2,468,300 | 2,485,640 | 17,340 |
| 87,123 | 104,305 | 17,182 | 1,488,212 | 1,351,244 | (136,968) |
| 87,123 | 104,305 | 17,182 | 3,956,512 | 3,836,884 | (119,628) |
| - | - | - | - | (142,172) | - |
| - | - | - | - | (89,742) | - |
| - | 104,305 | - | - | 3,604,970 | - |
| - | - | - | 17,977 | 17,150 | 828 |
| - | - | - | 13,828 | 12,763 | 1,065 |
| - | - | - | 100,582 | 99,376 | 1,205 |
| - | - | - | 1,132,143 | 1,101,291 | 30,852 |
| - | - | - | 65,734 | 49,882 | 15,852 |
| - | - | - | 133,313 | 128,881 | 4,432 |
| - | - | - | 481,834 | 483,101 | (1,267) |
| - | - | - | 205,873 | 201,815 | 4,058 |
| - | - | - | 99,731 | 99,071 | 660 |
| 12,391 | 10,154 | 2,236 | 77,646 | 61,750 | 15,896 |
| - | - | - | 16,258 | 14,560 | 1,698 |
| - | - | - | 19,441 | 16,708 | 2,733 |
| - | - | - | 116,816 | 72,637 | 44,179 |
| - | - | - | 4,150 | 3,916 | 234 |
| 40,906 | 39,756 | 1,150 | 81,079 | 77,238 | 3,841 |
| - | - | - | 3,880 | 3,837 | 43 |
| 33,826 | 32,583 | 1,243 | 71,120 | 61,839 | 9,281 |
| - | - | - | 53,109 | 30,827 | 22,282 |
| - | 5,076 | (5,076) | 59,318 | 61,436 | (2,118) |
| - | - | - | 4,459 | 3,858 | 602 |
| - | - | - | 994,258 | 966,413 | 27,844 |
| - | - | - | 3,932 | 3,752 | 181 |
| - | - | - | 105,877 | 105,481 | 396 |
| 87,123 | 87,569 | (447) | 3,862,357 | 3,677,582 | 184,775 |

(Continued on next page)

# COLORADO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Cont.)

| | GENERAL FUND | | |
|---|---|---|---|
| | REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE |
| Statutorily Authorized Expenditures | - | 100,382 | - |
| Currently Recognized Future Capital Lease Payments | - | 1,615 | - |
| TOTAL GROSS EXPENDITURES & TRANSFERS | - | 3,692,008 | - |
| Less: Intrafund Expenditures | - | (142,172) | - |
| Interfund Expenditures | - | (576,402) | - |
| NET EXPENDITURES | - | 2,973,434 | - |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | 527,231 | - |
| OTHER FINANCING SOURCES (USES) | - | (485,045) | - |
| EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER (UNDER) EXPENDITURES | - | 42,186 | - |
| FUND BALANCE, JULY 1 | - | 198,188 | - |
| Prior Period Adjustments | - | (221) | - |
| FUND BALANCE, JUNE 30 | - | $240,153 | - |

See accompanying notes to the financial statements.

| SPECIAL REVENUE FUNDS | | | MEMORANDUM TOTALS | | |
|---|---|---|---|---|---|
| REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE | REVISED ESTIMATE \BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) VARIANCE |
| - | - | - | - | 100,382 | - |
| - | - | - | - | 1,615 | - |
| - | 87,569 | - | - | 3,779,579 | - |
| - | - | - | - | (142,172) | - |
| - | (7,167) | - | - | (583,569) | - |
| - | 80,403 | - | - | 3,053,838 | - |
| - | 23,902 | - | - | 551,133 | - |
| - | (7,167) | - | - | (492,212) | - |
| - | 16,736 | - | - | 58,922 | - |
| - | 1,220 | - | - | 199,408 | |
| - | - | - | - | (221) | - |
| - | $17,956 | - | - | $258,109 | - |

# COLORADO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
## ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
## FOR THE YEAR ENDED JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS MEMORANDUM ONLY | |
|---|---|---|---|---|---|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | 1989 | 1988 |
| OPERATING REVENUES: | | | | | |
| License, Permits, and Fines | $ 99 | $ - | $ - | $ 99 | $ 88 |
| Charges for Goods and Services | 105,338 | 42,156 | - | 147,494 | 160,565 |
| Interest and Rents | 2,016 | 4,783 | 7,145 | 13,944 | 13,371 |
| Federal Grants and Contracts | 28,278 | 4 | - | 28,282 | 19,210 |
| Other | 4,806 | 10,562 | - | 15,368 | 13,535 |
| TOTAL OPERATING REVENUES | 140,537 | 57,505 | 7,145 | 205,187 | 206,769 |
| OPERATING EXPENSES: | | | | | |
| Salaries & Fringe Benefits | 28,651 | 16,154 | - | 44,806 | 40,028 |
| Operating | 42,849 | 25,846 | - | 68,695 | 48,500 |
| Depreciation | 1,417 | 9,504 | - | 10,921 | 9,950 |
| Travel | 246 | 25 | - | 271 | 275 |
| Intergovernmental | 629 | - | - | 629 | 440 |
| Prizes | 45,122 | - | - | 45,122 | 46,018 |
| Other | 301 | 335 | 392 | 1,028 | 15,923 |
| TOTAL OPERATING EXPENSES | 119,216 | 51,864 | 392 | 171,472 | 161,134 |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | 21,322 | 5,640 | 6,753 | 33,715 | 45,635 |
| OPERATING TRANSFERS: | | | | | |
| Operating Transfer-In | 173 | - | - | 173 | 1,639 |
| Operating Transfer-Out | (33,000) | - | (1,087) | (34,087) | (36,266) |
| NET INCOME/CHANGE IN RETAINED EARNINGS | (11,505) | 5,640 | 5,666 | (199) | 11,008 |
| FUND EQUITY, JULY 1 | 73,460 | 71,642 | 184,930 | 330,032 | 319,029 |
| Prior Period Adjustment | - | (2,531) | - | (2,531) | (5) |
| FUND BALANCE, JUNE 30 | $61,955 | $74,751 | $190,596 | $327,302 | $330,032 |

See accompanying notes to the financial statements.

# COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
# ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
# FOR THE YEAR ENDED JUNE 30, 1989
**(Dollars in Thousands)**

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS MEMORANDUM ONLY | |
|---|---|---|---|---|---|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | 1989 | 1988 |
| SOURCES OF WORKING CAPITAL: | | | | | |
| Operations: | | | | | |
| Net Income | ($11,505) | $5,640 | $5,666 | $ (199) | $11,008 |
| Item Not Requiring Working Capital: | | | | | |
| Depreciation | 1,417 | 9,504 | - | 10,921 | 9,950 |
| Working Capital Provided by Operations | (10,088) | 15,144 | 5,666 | 10,722 | 20,958 |
| Net Decrease In: | | | | | |
| Property, Plant and Equipment | 23 | - | | 23 | 3 |
| Other Long-Term Assets | 57 | - | 1,350 | 1,407 | 93 |
| Net Increase In: | | | | | |
| Capital Lease Obligations | - | 1,618 | - | 1,618 | 3,687 |
| Accrued Compensated Absences | 210 | 138 | - | 348 | 426 |
| Beginning Fund Equity | - | - | - | - | 4,806 |
| TOTAL SOURCES OF WORKING CAPITAL | (9,798) | 16,900 | 7,016 | 14,118 | 29,974 |
| USES OF WORKING CAPITAL: | | | | | |
| Net Increase In: | | | | | |
| Property, Plant and Equipment | 3,090 | 17,329 | 3 | 20,422 | 18,022 |
| Other Long-Term Assets | - | - | - | - | 34 |
| Net Decrease In: | | | | | |
| Accrued Compensated Absences | 16 | - | - | 16 | 179 |
| Capital Lease Obligations | - | 518 | - | 518 | - |
| Residual Equity Transfers Out | - | - | - | - | 5 |
| Bonds and Notes Payable | 105 | - | - | 105 | 168 |
| Beginning Fund Equity | - | 2,531 | - | 2,531 | - |
| TOTAL USES OF WORKING CAPITAL | 3,211 | 20,378 | 3 | 23,592 | 18,407 |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | ($13,009) | ($3,478) | $7,013 | $(9,474) | $11,568 |
| ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL: | | | | | |
| Cash and Short-Term Investments | $(24,882) | $7,369 | $(23,839) | $(41,352) | $(51,212) |
| Investments | - | - | 31,105 | 31,105 | 50,029 |
| Receivables, net | 1,223 | 2 | 727 | 1,952 | (312) |
| Due From Other Governments | 10,247 | (111) | (1,146) | 8,990 | 2,602 |
| Due From Other Funds | (287) | (8,879) | 157 | (9,009) | 4,546 |
| Inventories | (30) | (455) | - | (485) | 1,280 |
| Other Current Assets | 22 | 44 | - | 66 | (185) |
| Liability to Pooled Cash | 91 | 1,625 | - | 1,716 | 2,516 |
| Accounts Payable and Accruals | (3,263) | (3,065) | - | (6,328) | (1,193) |
| Due to Other Governments | 1,834 | - | - | 1,834 | 3,767 |
| Due to Other Funds | (174) | 12 | - | (162) | 481 |
| Deferred Revenue | 2,210 | (20) | 9 | 2,199 | (751) |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | ($13,009) | ($3,478) | $7,013 | $(9,474) | $11,568 |

See accompanying notes to the financial statements.

# COLORADO

## COMBINED BALANCE SHEET
## ALL COLLEGE AND UNIVERSITY FUNDS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | CURRENT FUNDS | | LOAN FUNDS | ENDOWMENT FUNDS |
|---|---|---|---|---|
| | UNRESTRICTED | RESTRICTED | | |
| ASSETS: | | | | |
| Cash and Short-Term Investments | $115,440 | $11,769 | $6,460 | $ 3,092 |
| Investments | 13,075 | 4,478 | - | 17,597 |
| Accounts Receivable: | | | | |
| Tuition, Fees, Charges for Services, net | 48,743 | 9,756 | 1,705 | 1,530 |
| Intergovernmental | 317 | 13,677 | 246 | - |
| Other | 3,726 | 5,404 | 234 | 32 |
| | 52,786 | 28,837 | 2,185 | 1,562 |
| Loans and Notes Receivable, net | 1,850 | 38 | 56,590 | 26 |
| Due From Other Funds | 14,628 | 2,891 | - | 1,001 |
| Inventories | 23,627 | 87 | - | - |
| Other Current Assets | 10,582 | 202 | 30 | - |
| Plant Facilities: | | | | |
| Land and Improvements | - | - | - | 2,180 |
| Buildings and Improvements, net | - | - | - | - |
| Leasehold Improvements, net | - | - | - | - |
| Construction in Progress | - | - | - | - |
| Equipment, net | - | - | - | - |
| Library Books | - | - | - | - |
| Other Fixed Assets | - | - | - | - |
| | - | - | - | 2,180 |
| Other Long-Term Assets | - | - | - | 1,893 |
| TOTAL ASSETS | $231,988 | $48,303 | $65,265 | $27,351 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $ 63,919 | $11,615 | $ 30 | $ 58 |
| Due To Other Funds | 13,768 | 5,378 | 1 | - |
| Deferred Credits | 35,097 | 69 | - | - |
| Capital Lease Obligations | - | - | - | - |
| Notes and Bonds Payable | - | - | - | - |
| Accrued Compensated Absences | 33,601 | 107 | 134 | - |
| TOTAL LIABILITIES | 146,384 | 17,170 | 165 | 59 |
| FUND BALANCES: | | | | |
| Investment in Fixed Assets | - | - | - | - |
| Reserved | - | 31,133 | 65,100 | 27,292 |
| Unrestricted | 85,604 | - | - | - |
| TOTAL FUND BALANCES | 85,604 | 31,133 | 65,100 | 27,292 |
| TOTAL LIABILITIES AND FUND EQUITY | $231,988 | $48,303 | $65,265 | $27,351 |

See accompanying notes to financial statements.

| PLANT FUNDS | | | TOTALS MEMORANDUM ONLY | |
|---|---|---|---|---|
| UNEXPENDED | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | 1989 | 1988 |
| $80,542 | $13,509 | $ - | $230,813 | $230,410 |
| 4,817 | 9,780 | - | 49,747 | 51,237 |
| 17 | 8 | - | 61,759 | 57,460 |
| 15 | 4 | - | 14,259 | 11,806 |
| 433 | 188 | - | 10,017 | 6,322 |
| 466 | 200 | - | 86,036 | 75,588 |
| - | - | - | 58,504 | 55,742 |
| 10,327 | 273 | - | 29,121 | 23,909 |
| - | - | - | 23,714 | 22,399 |
| 100 | 31 | - | 10,945 | 9,545 |
| - | - | 80,188 | 82,368 | 76,498 |
| - | - | 746,035 | 746,035 | 693,696 |
| - | - | 3,507 | 3,507 | 3,522 |
| 100,609 | - | - | 100,609 | 102,292 |
| - | - | 391,650 | 391,650 | 360,615 |
| - | - | 118,230 | 118,230 | 109,414 |
| - | - | 349 | 349 | 291 |
| 100,609 | - | 1,339,960 | 1,442,749 | 1,346,329 |
| - | - | - | 1,893 | - |
| $196,862 | $23,794 | $1,339,960 | $1,933,521 | $1,815,158 |
| $4,891 | $3,539 | $ - | $84,053 | $77,216 |
| 9,688 | - | 1,403 | 30,238 | 25,301 |
| 154 | 145 | - | 35,464 | 32,682 |
| 38,356 | - | 60,129 | 98,485 | 108,004 |
| 31,592 | 9 | 102,651 | 134,252 | 125,366 |
| 165 | - | - | 34,008 | 33,781 |
| 84,847 | 3,693 | 164,182 | 416,500 | 402,351 |
| - | - | 1,175,778 | 1,175,778 | 1,106,219 |
| 112,015 | 20,100 | - | 255,640 | 223,329 |
| - | - | - | 85,604 | 83,260 |
| 112,015 | 20,100 | 1,175,778 | 1,517,022 | 1,412,808 |
| $196,862 | $23,794 | $1,339,960 | $1,933,521 | $1,815,158 |

# COLORADO

## COMBINED STATEMENT OF CHANGES IN FUND BALANCES
## ALL COLLEGE AND UNIVERSITY FUNDS
## FOR THE YEAR ENDED JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | CURRENT FUNDS | | LOAN FUNDS | ENDOWMENT FUNDS |
|---|---|---|---|---|
| | UNRESTRICTED | RESTRICTED | | |
| REVENUES AND OTHER ADDITIONS: | | | | |
| Tuition and Fees | $305,492 | $ 29 | $ - | $ - |
| Federal Grants and Contracts | 3,706 | 259,534 | 1,868 | - |
| State and Local Grants and Contracts | 439 | 21,319 | - | - |
| Private Gifts, Grants, and Contracts | 2,568 | 59,213 | 40 | 517 |
| Investment Income | 10,698 | 1,801 | 364 | 486 |
| Sales and Svcs of Educational Activities | 57,875 | - | - | - |
| Sales and Svcs of Auxiliaries and Hospitals | 240,432 | - | - | - |
| Realized Gain (Loss) on Investments | - | - | 52 | 207 |
| Gain (Loss) on Debt Extinguishment | - | - | - | - |
| Interest on Loans Receivable | - | - | 1,633 | - |
| Retirement of Indebtedness | - | - | - | - |
| Additions to Plant Facilities | - | - | - | - |
| Other Revenues and Additions | 49,582 | 360 | 763 | 2,073 |
| TOTAL REVENUES AND OTHER ADDITIONS | 670,791 | 342,256 | 4,721 | 3,283 |
| EXPENDITURES AND OTHER DEDUCTIONS: | | | | |
| Educational and General: | | | | |
| Instructional | 405,156 | 59,828 | - | - |
| Research | 20,897 | 155,062 | - | - |
| Public Service | 27,758 | 15,628 | - | - |
| Academic Support | 85,574 | 7,322 | - | - |
| Student Services | 73,626 | 8,274 | 469 | 243 |
| Institutional Support | 97,060 | 8,123 | - | - |
| Operation of Plant | 69,275 | 703 | - | - |
| Scholarships and Fellowships | 7,377 | 71,313 | - | - |
| TOTAL EDUCATIONAL AND GENERAL | 786,723 | 326,254 | 469 | 243 |
| Auxiliaries and Hospitals | 270,805 | 443 | - | - |
| Loan Cancellation and Write-off | - | - | 939 | - |
| Expended for Plant Facilities | - | - | - | - |
| Retirement of Indebtedness | - | - | - | - |
| Interest on Indebtedness | - | - | - | - |
| Disposal of Plant Facilities | - | - | - | - |
| Other Expenditures and Deductions | - | 35,681 | 718 | 7 |
| TOTAL EXPENDITURES AND OTHER DEDUCTIONS | 1,057,528 | 362,377 | 2,126 | 250 |
| TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS: | | | | |
| Mandatory Transfers | 21,048 | 413 | (241) | - |
| Nonmandatory Transfers | 34,328 | 341 | (122) | 155 |
| Net Operating Transfers from State Funds | (444,456) | (23,254) | - | (19) |
| TOTAL EXPENDITURES, DEDUCTIONS & TRANSFERS | 668,448 | 339,877 | 1,763 | 386 |
| NET INCREASE (DECREASE) IN FUND BALANCES | 2,344 | 2,379 | 2,958 | 2,897 |
| FUND BALANCE, JULY 1 | 83,260 | 28,754 | 62,142 | 24,395 |
| FUND BALANCE, JUNE 30 | $85,604 | $31,133 | $65,100 | $27,292 |

See accompanying notes to the financial statements.

| PLANT FUNDS | | | TOTALS MEMORANDUM ONLY | |
|---|---|---|---|---|
| UNEXPENDED | RETIREMENT OF INDEBTEDNESS | INVESTMENT IN PLANT | 1989 | 1988 |
| $ - | $1,269 | $ - | $306,790 | $277,866 |
| 136 | 192 | - | 265,435 | 223,565 |
| 33 | - | - | 21,791 | 20,474 |
| 373 | - | 175 | 62,888 | 60,999 |
| 4,714 | 2,132 | - | 20,195 | 20,057 |
| - | - | - | 57,875 | 49,141 |
| - | - | - | 240,432 | 224,504 |
| 4 | (16) | - | 247 | 914 |
| - | - | - | - | (272) |
| - | - | - | 1,633 | 1,511 |
| 5,842 | - | 9,857 | 15 699 | 14,528 |
| 521 | - | 86,777 | 87,298 | 71,947 |
| 19,006 | (355) | 13,100 | 84,528 | 86,603 |
| 30,629 | 3,222 | 109,909 | 1,164,811 | 1,051,837 |
| | | | | |
| - | - | - | 464,984 | 425,233 |
| - | - | - | 175,959 | 154,851 |
| - | - | - | 43,386 | 38,763 |
| - | - | - | 92,896 | 83,799 |
| - | 20 | - | 82,632 | 75,891 |
| - | - | - | 105,183 | 100,975 |
| - | - | - | 69,978 | 68,517 |
| - | - | - | 78,690 | 64,647 |
| - | 20 | - | 1,113,708 | 1,012,676 |
| | | | | |
| - | - | - | 271,248 | 253,769 |
| - | - | - | 939 | 506 |
| 53,515 | - | - | 53,515 | 46,333 |
| 4,003 | 11,110 | - | 15,114 | 14,204 |
| 2,317 | 15,379 | - | 17,696 | 14,154 |
| - | - | 30,365 | 30,365 | 24,613 |
| 29 | - | 9,985 | 46,419 | 50,299 |
| 59,865 | 26,508 | 40,350 | 1,549,005 | 1,416,555 |
| | | | | |
| 1,934 | (23,154) | - | - | - |
| (35,576) | 875 | - | - | - |
| (20,536) | (142) | - | (488,408) | (443,265) |
| 5,687 | 4,087 | 40,350 | 1,060,597 | 973,290 |
| | | | | |
| 24,942 | (865) | 69,559 | 104,214 | 78,547 |
| | | | | |
| 87,073 | 20,965 | 1,106,219 | 1,412,808 | 1,334,261 |
| $112,015 | $20,100 | $1,175,778 | $1,517,022 | $1,412,808 |

# COLORADO

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State of Colorado conform to generally accepted accounting principles applicable to governmental units.

#### A. REPORTING ENTITY

The Governmental Accounting Standards Board, in its codification of governmental accounting and financial reporting standards, has established criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. These criteria are:

1. Selection of governing authority;
2. Designation of management;
3. Ability to significantly influence operations;
4. Accountability for fiscal matters; and
5. Scope of public service and special financing relationships.

The State includes within its reporting entity all departments, agencies, commissions, boards, and all State funded institutions of higher education. Excluded from the entity are the college and university foundations and the public authorities for which the State assumes no day to day management control, obligation, moral or legal, for their debts, nor reserves for itself any entitlement to their surplus assets.

The following authorities or associations constitute the principal entities that are excluded from these statements. Although the appointment of the governing boards is similar in many instances to the methods used to appoint management of the organizations included within the entity, the State does not control the appointment of staff nor does it assume responsibility for their debts or reserve for itself any entitlement to their excess funds.

Detailed financial information may be obtained directly from these organizations.

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**Colorado Housing Finance Authority**

CHFA was created by the General Assembly in 1973 to help alleviate the high cost of construction and mortgage loans. It is authorized to raise funds through the sale of bonds and notes and then lend the proceeds to eligible borrowers through private lending institutions. The repayment of the loans is used to retire the bonds and notes. Its governing board consists of nine members, the State Auditor, one member appointed jointly by the Speaker of the House and the Senate Majority Leader, plus seven members appointed by the Governor. The Board is required to report annually to the Governor and the General Assembly.

Financial highlights of CHFA in thousands (000) for their year ended December 31 are:

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Total Assets | $1,200,036 | $1,212,807 | $1,222,885 |
| Total Liabilities | 1,134,579 | 1,147,782 | 1,152,893 |
| Revenues | $103,358 | $108,602 | $112,057 |
| Expenses | 102,926 | 103,885 | 106,120 |

## Colorado Student Obligation Bonding Authority

CSOBA is a political subdivision created in 1979 to help finance student loans, both in the secondary market and as a direct lender. Its governing board is appointed by the Governor with the consent of the Senate, but its management is selected by the board.

Annual reports are filed with the Governor and State Auditor.

Financial highlights of CSOBA in thousands (000) for their year ended September 30 are:

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Total Assets | $249,137 | $293,706 | $315,998 |
| Total Liabilities | 242,637 | 282,307 | 306,496 |
| Revenues | $ 21,585 | $ 23,451 | $ 27,590 |
| Expenses | 26,485 | 21,553 | 25,644 |

## Public Employees Retirement Association

PERA was established for the purpose of providing present and future retirement, disability, or survivor benefits for state, school, and municipal employees within Colorado. It is financed by employer and employee contributions.

PERA's management is vested in a 16 member board which includes the State Auditor, State Treasurer, and 14 members elected by participants.

Highlights of PERA's December 31 finances for the State Division only expressed in thousands (000) are:

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Net Assets Available for Benefits | $3,116,290 | $2,763,440 | $2,648,996 |
| Total Actuarial present value of plan benefits | (3,244,926) | (2,429,113) | (2,202,884) |
| Contributions: Employer | $ 86,733 | $ 83,022 | na |
| Employee | 82,706 | 79,757 | na |
| Investment Income | 321,160 | 68,972 | na |
| Benefits and Refunds Paid | (134,714) | (139,834) | na |

## Colorado Postsecondary Educational Facilities Authority

This authority was established in 1981 by an act of the General Assembly to provide alternative financing methods by which institutions of postsecondary education in Colorado can refund or refinance outstanding indebtedness and finance additional facilities and other capital expenditures. Its seven member governing board is appointed by the Governor with the consent of the Senate and has complete authority to appoint the Authority's management. Financing is obtained by issuance of tax-exempt revenue bonds and notes or other obligations which do not constitute a debt of the State. The Authority files annual reports with the Governor and State Auditor.

Financial highlights in thousands (000) for their year ended September 30 are:

# COLORADO

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Total Assets | $ 81,997 | $ 60,673 | $ 86,852 |
| Total Liabilities | 81,731 | 60,434 | 86,644 |
| Revenues | $ 137 | $ 106 | $ 299 |
| Expenses | 111 | 74 | 234 |

## Colorado Health Facilities Authority

This authority was created in 1977 to provide alternative financing methods by which non-profit hospitals and health institutions in Colorado can refund or refinance outstanding indebtedness and finance additional facilities and other capital expenditures. Financing is obtained by issuance of tax-exempt revenue bonds and notes or other obligations which do not constitute a debt of the State. Its seven member governing board is appointed by the Governor with the consent of the Senate. The board designates the management of the Authority. Annual reports are filed with the Governor and State Auditor.

Financial highlights for their fiscal years ended September 30, in thousands (000) are:

| | 1988 | 1987* | 1986 |
|---|---|---|---|
| Total Assets | $749,161 | $828,177 | $1,041,639 |
| Total Liabilities | 747,997 | 827,050 | 1,040,805 |
| Revenues | $ 381 | $ 2,133 | na |
| Expenses | 344 | 1,840 | na |

*Restated from the Colorado Health Facilities Authority FY 1988 statements.

## Colorado Water Resources and Power Development Authority

This authority was created in 1981 to acquire, construct, maintain, repair and operate, or cause to operate, projects for the protection, preservation, conservation, upgrading, development and utilization of Colorado's water resources. Financing is obtained by issuance of tax-exempt bonds and notes or other obligations which do not constitute a debt of the State. Its nine member governing board is appointed by the Governor with the consent of the Senate. Management of the authority is the responsibility of the board. Annual reports are prepared for the Governor and the General Assembly.

Financial highlights for their year ended December 31 in thousands (000) are:

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Total Assets | $ 63,966 | $ 64,449 | $ 56,673 |
| Total Liabilities | 11,615 | 13,956 | 8,256 |
| Revenues | $ 4,019 | $ 3,810 | $ 3,866 |
| Expenses | 2,161 | 1,734 | 1,629 |

### Colorado Agricultural Development Authority

This authority, which was created in 1981 by an act of the General Assembly, provides low interest financing to farmers, ranchers, and agricultural processors for capital expenditures necessary for agricultural production. This is accomplished by issuance of tax-exempt bonds and notes, plus other obligations which do not legally constitute a debt of the State. Of its seven member governing board, one is appointed by the Governor with the consent of the Senate, three are appointed by the Speaker of the House, and three are appointed by the Senate President. Annual reports are submitted to the governor and State Auditor.

Financial highlights for their year ended December 31 in thousands (000) are:

| | 1988 | 1987 | 1986 |
|---|---|---|---|
| Total Assets | $ 70 | $ 71 | $ 21 |
| Total Liabilities | 0 | 0 | 0 |
| Revenues | $ 12 | $ 60 | $ 14 |
| Expenses | 13 | 11 | 16 |

### State Compensation Insurance Authority

This authority was created by an act of the General Assembly effective July 1, 1987. Prior to that it had been a division in the State's Department of Labor and Employment. The purpose of the Authority is to provide workmen's compensation insurance to the State and other employers within Colorado. The five member board of directors consists of the Executive Director of the Department of Labor and Employment and four members appointed by the Governor with the consent of the Senate. Management of the Authority is appointed by the board. An annual report is submitted to the Governor and the General Assembly.

Financial highlights for their year ended December 31 in thousands (000) are:

| | 1988 | 1987* | 1986 |
|---|---|---|---|
| Total Assets | $549,363 | $532,369 | $508,889 |
| Total Liabilities | 496,326 | 474,208 | 452,514 |
| Change in surplus from Previous Year | $ (5,124) | 1,786 | $(17,566) |

*Restated from State Compensation Insurance Authority's FY 1988 statements.

## B. FUND STRUCTURE AND BASIS OF ACCOUNTING

The financial activities of the State are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of that entity. For financial statement presentation, similar funds have been combined into fund types and categories.

# COLORADO

GOVERNMENTAL FUNDS

General Fund
Transactions related to resources obtained and used for those services traditionally provided by state government, which are not accounted for in other funds are accounted for in the General Fund. Resources obtained from federal grants which support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue Funds
Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The individual funds include the Highway Fund, Wildlife Fund, and the Labor Fund.

Debt Service Fund
This fund accounts for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest. The primary debt of the State consists of certain long-term lease purchase agreements.

Capital Projects Funds
Transactions related to resources obtained and used for acquisition, construction, or improvement of State owned facilities other than those financed by college and university fund types are accounted for in the capital projects funds. Construction projects which are provided to political subdivisions or other organizations are also recorded in these funds. The Capital Construction Fund accounts for projects that have been appropriated by the Legislature and are financed from operating transfers from the general fund, lottery fund, and federal grants.

PROPRIETARY FUNDS

Enterprise Funds
Account for operations that are financed and operated in a manner much like private business enterprises. Costs of providing goods and services to the general public, including depreciation, are recovered primarily through user charges. Beginning July 1, 1987 the State Compensation Insurance Authority was removed from these funds and excluded as an entity from the General Purpose Financial Statements as noted in Note A.

Internal Service Funds
These funds account for the functions of State agencies that provide goods or services within the State or other governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Trust and Agency Funds
These funds account for assets held by the State in a trustee capacity or as an agent for other organizations or individuals. They include agency funds, expendable and nonexpendable trust funds. Agency funds are used to account for assets held for other funds, governments, or individuals. They are custodial in nature and do not involve measurement of operations. The expendable trust fund classification is used when both the principal and revenue earned may be expended for purposes designated by the trust agreement. Nonexpendable trust funds require that the principal of the fund remains intact while only the earnings of the fund are expendable.

ACCOUNT GROUPS

General Fixed Assets Account Group
Capital assets purchased, constructed, or donated to the State for its use, with the exception of infrastructure, are accounted for in this group. Capital assets utilized by Enterprise, Fiduciary, and Trust and Agency Funds are recorded in those respective funds and depreciated there.

General fixed assets are recorded at historical cost except for donated assets which are recorded at their fair market value at the time they were donated. No depreciation is recorded on general fixed assets.

General Long-term Debt Account Group
This group accounts for unmatured long-term lease-purchase obligations, and certain leave obligations accrued by the State's employees. In addition, the State records the liability it has under the Worker's Compensation Act to assist injured workers in the State who have exceeded the benefits defined by their workmen's compensation insurance.

COLLEGE AND UNIVERSITY FUNDS

These funds account for the operations of the State supported system of higher education as well as those of the University of Colorado Health Sciences Center. The College and University Funds consists of the following funds:

Current Funds Unrestricted account for economic resources which are expendable for any purpose in accomplishing the institutions primary objectives.

Current Funds Restricted account for resources received from donors or other outside agencies that are restricted for specific purposes.

Loan Funds account for resources available for loans.

Endowment Funds account for resources which the donor has stipulated that the principal must remain intact but earnings may be added to the principal or expended for restricted or unrestricted purposes.

Plant Funds account for resources available to acquire or repair institutional properties, to service debt incurred to acquire such properties, and the cost of fixed assets and the related liabilities used to acquire them.

Agency Funds account for resources held by the institution acting in the capacity as agent for distribution to designated beneficiaries.

BASIS OF ACCOUNTING

Governmental, Expendable Trust, and Agency Funds are reported on the modified accrual basis. This basis of accounting recognizes revenues when they are measurable and available to finance current operations or to liquidate liabilities existing at fiscal year-end. Historical data, adjusted for economic trends is used in the estimation of the following accruals:

- Sales, use, liquor, and cigarette taxes are accrued based on filings received and due by June 30th. Amounts expected to be collected after 12 months are offset by deferred revenue.

- Income taxes from individuals, corporations, and trusts are accrued based on current income earned by the taxpayer prior to June 30th. Quarterly filings, withholding statements, and other historical data is used to estimate the taxpayer's current income. Amounts expected to be collected after twelve months are recorded as deferred revenue. An estimate of the uncollectible income taxes is credited to an allowance for bad debts with the revenue accrued net of this allowance.

Revenues earned under the terms of agreements with federal, local governments, or private sources are recorded at the time that the related expenditures are made.

Expenditures are recognized during the period in which the fund liability is incurred except for the interest on long-term debt which is recorded when due and accumulated employee leave time which is recorded when paid.

Special reporting treatment at year-end is accorded to encumbrances. Fund balance is reserved at year-end for the appropriation that will be rolled-forward to cover encumbrances.

Proprietary and Pension Trust Funds are reported on an accrual basis. Using this basis, revenues are recognized when earned and expenses, including depreciation, are recognized when incurred.

College and University Funds are reported on the accrual basis except for depreciation related to plant fund assets which is not recorded, and revenues and expenditures related to summer school programs which are recorded primarily in the subsequent fiscal year in accordance with the National Association of College and University Business Officer's College and University Business Administration.

## C. BUDGETARY ACCOUNTING

The financial operations of the legislative, judicial, and executive branches of the State's government, with the exception of the Highway Department portion of the Highway Fund, are controlled by annual appropriation made by the General Assembly. The Highway Department appropriation is made by the State Highway Commission and approved by the Governor. The legislative appropriation is constitutionally limited to the unrestricted funds held at the beginning of the year plus revenues estimated to be received during the year as determined by the modified accrual basis of accounting. The Governor has line item veto authority over the Long Appropriations Bill but the General Assembly may override each individual line item veto by a two-thirds majority enacted in each house.

General and cash fund appropriations, with the exception of capital construction, lapse at year-end unless executive action is taken to roll-forward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for roll-forward are reserved at year-end. Capital construction appropriations are available, generally, for three years after appropriation.

The appropriation controls the combined expenditures and encumbrances of the State at a minimum to the agency level and in the majority of the cases, to the level of line item within the agency. Expenditures are determined using the accrual basis of accounting even if that accrual will result in an overexpenditure. The appropriation may be adjusted in the following session of the legislature by a supplemental appropriation. Supplementals passed into law during FY 1989 were $36.1 million for the General Fund, $(1.1) million for cash funds, and $30.7 million for federal funds granted to the State. If cash or federal revenues earned on a modified accrual basis are less than expenditures then an overexpenditure exists even if the expenditures did not exceed the legislative appropriation. Overexpenditures that occurred at June 30, 1989 were:

| Department/Line Item | Amount Overexpended | Type of Funds |
|---|---|---|
| Department of Administration | | |
| Capitol Complex Utilities | $115,052 | General |
| Department of Agriculture | | |
| Chemigation Inspectors | 45,680 | General |
| Office of the Governor | | |
| Executive Office and Residence | 3,075 | General |
| Department of Health | | |
| Mobile Source-Op. Expenses | 728 | Cash |
| CSEAP-Administration | 757 | General |
| Family Health Svs-Op. Expenses | 556 | General |
| Administration-Op. Expenses | 5,021 | General |
| Department of Labor and Employment | | |
| GGCC Purchase of Services | 200,000 | General |
| Department of Natural Resources | | |
| Geological Survey | 3,721 | General |
| Game Damage Claims | 37,024 | Cash |
| Game Damage Materials | 10,633 | Cash |
| Department of Social Services | | |
| Medical Programs - Medicaid | 5,449,505 | General |
| Medical Programs - Medicaid | 5,457,572 | Federal |
| Welfare - AFDC Basic Grant | 383,340 | General |
| Trinidad State Nursing Home | 250 | Cash |

Overexpenditures are determined using the accrual basis of accounting. Appropriations in the subsequent year are restricted by the State Controller when an overexpenditure occurs. This requires the agency to seek either a supplemental appropriation from the Legislature or a reduction of the subsequent years expenditures to match the restricted appropriation.

For Fiscal Year 1988-89 the General Assembly authorized overexpenditures up to $1 million statewide for non-medicaid expenditures and unlimited overexpenditure authority for Medicaid expenditures. In total, State agencies reverted $14.2 million of unspent General Fund appropriation.

### D. ELIMINATIONS

Substantially all intrafund transactions and balances have been eliminated. Substantially all revenues from interfund transactions have been reclassified as operating transfers-in using the account "Other Financing Sources (Uses)" section of the statements. Likewise, the interfund expenditures/expenses have been reflected as operating transfers-out.

### E. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation as interfund eliminations have not been made in the aggregation of this data.

### F. CASH AND SHORT-TERM INVESTMENTS

The State Treasury acts as a bank for all state agencies with the exception of the University of Colorado. Monies deposited in the Treasury are invested until the cash is needed. Interest earnings on these investments are credited to the General Fund unless a specific statute directs otherwise. The detailed composition of the cash and investments is shown in the annual Treasurer's Report.

The State maintains numerous cash accounts for administrative purposes. The cash reflected on the balance sheet is the composite amount of all accounts although some of the individual accounts may be periodically overdrawn.

### G. INVESTMENTS

Items classified as investments are long-term investments, which are generally stated at cost or amortized cost, which approximates market. The investments of the deferred compensation plan are carried at current market value in accordance with generally accepted accounting principles.

### H. TAXES RECEIVABLE

The taxes receivable of $501.8 million results from the recording of self-assessed taxes on the accrual basis. Of this amount $481.5 million is estimated to be collected between July 1, 1989 and June 30, 1990 while $20.3 million to be collected subsequent to June 30, 1990 and thus offset by an equal charge to deferred revenue.

Tax refunds payable of $137.4 million is the estimated liability for refunds associated with the above taxes receivable amount.

### I. OTHER RECEIVABLES

The other receivables of $191.4 million are net of the deduction for $120.3 million in allowance for doubtful accounts.

## J. INVENTORY

Inventories of the various state agencies consists primarily of consumable items including office and institutional supplies, fuel and maintenance items, and finished goods inventories held for resale by Correctional Industries. Inventories are stated at the lower of cost or market using various valuation methods (fifo, average, etc.) depending upon the state agency. The method used in each agency is consistent from year to year.
Consumable inventories that are material are expended at the time they are consumed. Immaterial consumable inventories are expended at the time of purchase, while inventories held for resale are expensed at the time of sale.

## K. PROPERTY, PLANT AND EQUIPMENT

General fixed assets are reported at cost or estimated historical cost. Donated fixed assets are stated at fair market value at the time of the donation. Infrastructure assets, including highways, bridges, and right-of-way land is not capitalized. No depreciation is provided on general fixed assets nor generally on the fixed assets of the college and university funds.

Depreciation is recorded on the fixed assets of the proprietary fund types and nonexpendable trust funds. Depreciation of these assets is recorded over their useful life using the straight-line method. Depreciation of assets that were contributed to the various proprietary funds is charged to Contributed Capital while depreciation of other assets is charged to retained earnings. The following lives are used:

| | |
|---|---|
| Buildings | 25-40 years |
| Improvements other than buildings | 10-17 years |
| Furniture, machinery and equipment | 5-12 years |

## L. OTHER LONG-TERM ASSETS

The $51.6 million reported in the Capital Projects Fund represents long-term loans made to local entities by the Water Conservation Board for the purpose of constructing water projects in the State. These loans are made for periods ranging from 10 to 40 years at interest rates of 2 to 4 percent. The entities make a yearly payment of principal and interest.

## M. DEFERRED REVENUE

Revenues received from the Federal government and other program sponsors is deferred until such time as the related expenditures are made. Taxes receivable beyond the following year are also deferred as mentioned in Note H. It is also the policy of state higher education institutions to defer summer school tuition to the following fiscal year.

## N. FUND EQUITY

The fund balance of the General Fund consists of a reserved and an unreserved portion. Amounts are reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved portion of fund equity is available for future use as working capital or to be appropriated, and since the State is prohibited by its Constitution from incurring general obligation debt then the unreserved fund equity must be positive at year-end.

Reserves of the fund equity of the General Fund at June 30, 1989 consist of:

- Reserve for Encumbrances - This reserve is for the portion of the Fiscal Year 1988-89 appropriation that was encumbered for goods and services that were, due to extenuating circumstances, not received prior to June 30, 1989 and for which the Controller has determined that the in-

tent of the FY 1988-89 appropriation was to be spent on these items. Thus, the specific appropriation related to these items is to be rolled-forward to FY 1989-90.

o Reserve for Other Specific Purposes - These reserves are used to indicate that a portion of fund balance is restricted as to its use. The restriction of the representative assets may have been placed there by their donor in the case of fiduciary funds, by statute in the General and other governmental type funds, or reserved for special purposes such as the payment of debt principal in the case of the debt service funds. These reserves at June 30, 1989 were composed of (in thousands) the following amounts by fund:

| Reserved For | General Fund | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Fiduciary Funds |
|---|---|---|---|---|---|
| Old Age Pension | $ 5,000 | | | | |
| Hazardous Substance Response | 6,748 | | | | |
| Comprehensive Environmental Reclamation and Liability Act | 1,560 | | | | |
| Public Employees Social Security | 1,888 | | | | |
| Severance Tax Monies | 13,715 | | | | |
| Mineral Lease Monies | 8,663 | | | | |
| Economic Development Monies | 4,226 | | | | |
| Public School Income Monies | 9,677 | | | | |
| Elderly Property Tax | 1,929 | | | | |
| Alcohol Driver Safety | 899 | | | | |
| Workmen's Compensation Regulation | 3,350 | | | | |
| Capital Construction | 8,442 | | | $132,331 | |
| Regulatory License, Assessment and Fee Adjustment | 3,316 | | | | |
| Energy Conservation | 23,602 | | | | |
| Highway Construction | | $155,708 | | | |
| Wildlife, Parks and Outdoor Recreation | | 9,757 | | | |
| Benefits for Injured Workers | | 4,389 | | | |
| Debt Retirement | | | $18,224 | | |
| Long-term Loans Receivable | | | | 51,563 | |
| Treasurer's Expendable Trust | | | | | $ 19,105 |
| Unemployment Benefits | | | | | 249,937 |
| Victims of Crime | | | | | 4,740 |
| State Land Board | | | | | 12,050 |
| State Employees Insurance | | | | | (3,574) |
| Public School Permanent Monies | | | | | 178,703 |
| Other Special Revenue Programs | 7,960 | 4,850 | | | 19,329 |
| **TOTALS** | **$100,972** | **$174,704** | **$18,224** | **$183,894** | **$480,290** |

## O. FUND BALANCE DEFICITS

The fund deficit that exists at June 30, 1989 as shown in Note N occurred for the following reasons. The fund deficit of $3.57 million in State Employees Insurance is the result of unanticipated utilization of medical benefits by state employees and charged to this fund by the benefits administrator. State employees are self-insured for health insurance. While the state contributes an amount for

each employee enrolled in health insurance, the State assumes no liability for this deficit nor for funding the administration of this self-insurance pool.

**P. RESTATED BEGINNING FUND BALANCES DUE TO ACCOUNTING CHANGES AND PRIOR PERIOD ADJUSTMENTS**

On the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, the special revenue funds beginning fund balance was restated to include the Highway Users Trust Funds appropriated to the Departments of Revenue and Public Safety. In prior years this statement had included only the activities of the Wildlife and Labor funds; excluding all activities of the Highway Trust Fund whether it was appropriated by the Legislature or not. The prior period adjustments correct prior year accounting errors made in the Internal Service Fund of the Department of Administration.

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**NOTE II. OTHER ACCOUNTING DISCLOSURES**

**A. CASH DEPOSITS AND INVESTMENTS**

State agencies are authorized by various statutes to deposit funds in accounts outside the custody of the State Treasury. Legally authorized deposits and investments generally include demand deposits, certificates of deposit and obligations of, or guaranteed by the United States Government. The State's cash management policy is to invest all major revenues as soon as the moneys are available within the banking system. Electronic transfers are used by the State to enhance availability of funds for investment purposes.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in CRS 11-10.5-107(5) requires all eligible depositories holding public deposits to pledge designated eligible collateral having market value equal to at least 102% of the deposits exceeding those amounts not insured by federal insurance.

Deposits

The State maintains accounts and certificates of deposits for various purposes at locations throughout the State. Cash balances not required for immediate use are deposited either through the investment pool administered by the State Treasurer or by the fund custodians.

The State categorizes its cash into four categories as to their risk:

- Category 1 are Federally insured deposits, or deposits fully collateralized with securities held by the State or its agent in the State's name.

- Category 2 are uninsured but fully collateralized with securities held by the pledging financial institu-

tion's trust department or agent in the State's name.

- Category 3 are uninsured and uncollateralized deposits including bank balances collateralized with securities held by the bank, its trust department, or its agent, but not held in the State's name.

- Category 4 is cash held in petty cash funds, change funds, or other cash-on-hand including cash in-transit to the Treasury or bank.

Other cash represents investments in pools managed by other governments or mutual funds. The amount is disclosed in accordance with GASB Statement No. 3 but it is not categorize because the amount is not evidenced by securities that exist in physical or book entry form.

(Amounts in Thousands)

| Risk Classification | Carrying Amount | Bank Balance June 30 |
|---|---|---|
| Category 1 | $260,476 | $264,224 |
| Category 2 | 180,121 | 203,849 |
| Category 3 | 9,632 | 10,521 |
| Category 4 | 5,995 | 1,315 |
| Other Cash | 5,993 | 5,993 |
| **TOTAL** | **$462,217** | **$485,903** |

Investments

The State holds investments both for its own benefit and as an agent for specified State agencies as provided by law. Investment of funds not required for immediate payments are administered by the State Treasurer or the authorized custodian of the funds.

The State categorizes the risks of its investments into the following categories:

- Category A are those investments which are insured or registered and held by the State or its agent in the State's name.

- Category B are those investments which are uninsured or unregistered and held by a counterparty in the State's name.

- Category C are those investments which are uninsured or unregistered and not held in the State's name or any other investment which has not been identified as to the risk category.

The following table lists the State's deposits and investments by type and risk category:

(Amounts in Thousands)

| | Risk Category A | B | C | Carrying Amount | Market Value |
|---|---|---|---|---|---|
| U.S. Government Securities | $849,552 | $14,754 | $52,678 | $916,985 | $930,100 |
| Bankers' Acceptance | | | 811 | 811 | 811 |
| Commercial Paper | | 25,954 | 8,373 | 34,328 | 34,550 |
| Corporate Bonds | 22,758 | 5,419 | 3,812 | 31,989 | 31,525 |
| Corporate Securities | 5,757 | | 10,202 | 15,959 | 17,035 |
| Repurchase Agreements | 3,032 | 7,368 | 9 711 | 20,111 | 20,111 |
| Others | 28,126 | 1,929 | 13,142 | 43,196 | 39,468 |
| **TOTALS** | **$909,225** | **$55,425** | **$98,730** | **$1,063,380** | **$1,073,599** |
| Deferred Compensation | | | | 71,931 | 71,931 |
| | | | | $1,135,311 | $1,145,530 |

# COLORADO

The total carrying amount for deposits and investments consists of pooled monies invested by the State Treasurer. The State Deferred Compensation Plan is a voluntary employee deferral of wages provided by Internal Revenue Code Section 457. The assets are held by the provider organizations in the State's name and are the State's property but subsidiary systems are maintained with records of the each individual participant's investments. See Note IV-F for further information about the plan.

Reconciliation to the financial statements is:

(Amounts in Thousands)

| | | Carrying Amount |
|---|---|---|
| Footnote Amounts: | Deposits | $ 462,217 |
| | Investments | 1,135,311 |
| Securities Held in Lieu of Retainage | | 11,479 |
| Miscellaneous Other Cash and Investments | | 5,957 |
| Less: | State Compensation Authority Cash | (92,807) |
| | Warrants Payable | (97,658) |
| TOTAL Balance Sheet Cash and Investments | | $1,424,499 |

## B. FIXED ASSETS

All fixed assets of the State other than those in proprietary, trust, or college and university funds are accounted for in the general fixed asset account group. Assets in the general fixed asset account group are carried at cost without regard to depreciation. Donated assets are carried at their fair market value at the time they were donated. The State's policy is to not capitalize interest during construction of general fixed assets.

Infrastructure such as highways and bridges are not capitalized, rather their purchase or construction is recognized as an expenditure when it occurs.

A summary of fixed assets by fund type follows:

(Amounts in Thousands)

| | General Fixed Assets Account Group | Enterprise Funds | Internal Service Funds | Trust & Agency Funds | College & University Funds | Totals |
|---|---|---|---|---|---|---|
| Land & Improvements | $123,153 | $ 4,391 | | $ 7,554 | $ 82,368 | $ 217,466 |
| Buildings & Improvements | 303,455 | 5,603 | $ 63 | | 749,542 | 1,058,663 |
| Equipment | 138,198 | 5,415 | 80,226 | 2,802 | 546,519 | 773,160 |
| Construction in Progress | 140,179 | 206 | 48 | | 100,616 | 241,049 |
| Other | 7,840 | 596 | | | 349 | 8,785 |
| TOTAL | $712,825 | $16,210 | $ 80,337 | $10,356 | $1,479,395 | $2,299,122 |
| Less: Accumulated Depr. | | (352) | (521) | | (36,646) | (37,519) |
| | **$712,825** | **$15,858** | **$ 79,816** | **$10,356** | **$1,442,749** | **$2,261,604** |

A statement of changes in general fixed assets for the year ended June 30, 1989 is shown below:

(Amounts in Thousands)

| | Land & Improvements | Buildings & Improvements | Equipment | Construction In Progress | Other | Totals |
|---|---|---|---|---|---|---|
| Balance: July 1, 1988 | $113,459 | $297,352 | $139,085 | $ 70,314 | $ - | $620,210 |
| Net Change | 9,694 | 6,103 | (887) | 69,865 | 7,840 | 92,615 |
| Balance: June 30, 1989 | **$123,153** | **$303,455** | **$138,198** | **$140,179** | **$ 7,840** | **$712,825** |

# COLORADO

## C. SEGMENT INFORMATION

The State maintains enterprise funds with the principal activities being the lottery, guaranteed student loan program, and the prison industry program. The guaranteed student loan program guarantees loans made by private lending institutions, in compliance with operating agreements with the U.S. Department of Education, to students attending postsecondary schools.

The state lottery encompasses the various lottery and lotto games run under state statute. In Fiscal Year 1989 the Lottery transferred $20 million and $13 million to the general fund and the capital construction fund respectively.

The prison industries program encompasses the sale of manufactured goods and farms products produced by convicted criminals who are being rehabilitated in the State prison system.

Segment information for the enterprise funds of the State for the year ended June 30, 1989 is:

(Amounts in Thousands)

| | Guaranteed Student Loan | State Lottery | Business Enterprise Program | State Nursing Homes | Correctional Indust. | Other Enterprise Activit. | Totals |
|---|---|---|---|---|---|---|---|
| Operating Revenue | $32,494 | $80,595 | $1,437 | $10,229 | $11,024 | $4,758 | $140,537 |
| Depreciation | 239 | 309 | 182 | 337 | 309 | 41 | 1,417 |
| Operating Income | 3,623 | 17,601 | 88 | 10 | (146) | 146 | 21,322 |
| Operating | | | | | | | |
| Transfers-In | - | - | - | - | - | 173 | 173 |
| Transfers-Out | - | (33,000) | - | - | - | | (33,000) |
| Working Capital | 20,628 | 18,843 | 598 | 853 | 4,922 | 1,777 | 47,621 |
| Net Income (Loss) | 3,623 | (15,399) | 88 | 10 | (146) | 319 | (11,505) |
| Net Increase in Prop., Plant, and Equip. | 709 | 424 | 217 | 202 | 1,538 | (23) | 3,067 |
| Total Assets | 24,599 | 29,273 | 1,277 | 6,784 | 10,130 | 5,202 | 77,265 |
| Bonds & Other Long-Term Liabilities | 212 | 353 | 30 | 588 | 308 | 35 | 1,525 |
| Fund Equity | 21,562 | 19,601 | 1,152 | 5,876 | 9,069 | 4,695 | 61,955 |

## D. INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 1989 are as follows:

(Amounts in Thousands)

| Fund | Interfund Receivables | Interfund Payables |
|---|---|---|
| General Fund | $11,239 | $55,945 |
| Special Revenue Funds: | | |
| Highway | 3,005 | 362 |
| Labor | - | 9 |
| Capital Projects Funds: | | |
| Regular Capital Construction | 51,178 | 1,226 |
| Special Capital Construction | - | 2,071 |
| Enterprise Funds: | | |
| Correctional Industries | 469 | - |
| Lottery | - | 210 |
| State Nursing Homes | 46 | - |
| Other | 51 | 37 |
| Internal Service Funds: | | |
| Administration | 84 | 2 |
| Public Safety | | 1 |
| Expendable Trust Funds: | | |
| State Treasurer | 2,372 | 3,239 |
| Other | 18 | 189 |
| Nonexpendable Trust | 167 | - |
| Agency Funds: | | |
| Taxes & Assessments | - | 4,334 |
| Other Agency Funds | 114 | - |
| College and University Funds | 29,121 | 30,239 |
| TOTALS | $97,864 | $97,864 |

## NOTE III. COMMITMENTS AND CONTINGENCIES

**A.** Changes in long-term liabilities of the State are summarized as follows:

| | Proprietary Fund Types | Trust & Agency Funds | Long-Term Debt Accounts | College & University Funds | Totals |
|---|---|---|---|---|---|
| Beginning Balance July 1, 1988 | $6,975 | $174,566 | $190,199 | $267,151 | $638,891 |
| Obligations Issued | | | | 13,446 | 13,446 |
| Obligations Retired | (105) | | | (4,560) | (4,665) |
| Increase (Decrease) in Compensated Absences | 331 | (216) | 3,950 | 227 | 4,292 |
| Increase (Decrease) in Other Liabilities: | | | | | |
| Capital Lease Obligations | 1,099 | | 57,885 | (9,519) | 49,465 |
| Labor Fund Claims | | | (2,827) | | (2,827) |
| Tax Refunds Payable | | | (444) | | (444) |
| Deferred Compensation Due Participants | | 17,762 | | | 17,762 |
| Claimant Benefits | | 2,467 | | | 2,467 |
| Deposits Held for Others | | 17,416 | | | 17,416 |
| Ending Balance June 30, 1989 | $8,300 | $211,995 | $248,763 | $266,745 | $735,803 |

## B. TRANSFERS BETWEEN FUNDS

Major transfers between funds for the fiscal year ended June 30, 1989 were as follows (expressed in thousands):

| Transfer | Amount |
|---|---|
| General Fund to Higher Education | $467,730 |
| Capital Construction Fund to Higher Education | 20,678 |
| General Fund to Capital Construction Fund | 73,499 |
| Lottery to General Fund | 20,000 |
| Lottery to Capital Construction Fund | 13,000 |
| Public School Income Fund to General Fund | 21,567 |
| General Fund to Highway Fund | 30,000 |
| Highway Fund to General Fund | 43,833 |
| General Fund to Special Capital Construction Fund | 5,000 |
| Capital Construction Fund to Debt Service Fund | 2,716 |
| Special Capital Construction Fund to Debt Service Fund | 12,519 |
| Special Capital Construction Fund to Capital Construction Fund | 6,785 |
| Other | 6,949 |
| **TOTAL** | $724,276 |

## C. LEASE COMMITMENTS

The State may enter into lease or rental agreements for buildings or equipment. All leases contain clauses indicating that continuation of the lease is subject to funding by the legislature. It is reasonably assured that most of these leases will be renewed in the normal course of business. They are therefore treated as noncancelable for financial reporting purposes.

Future minimum payments at June 30, 1989 for existing leases were as follows:

(Amounts in Thousands)

| Fiscal Year | Operating Leases | Capital Leases: Internal Service Funds | Capital Leases: College & University Funds | Capital Leases: General Long-Term Debt |
|---|---|---|---|---|
| 1990 | $13,546 | $1,978 | $19,728 | $13,450 |
| 1991 | 10,475 | 1,737 | 17,759 | 13,089 |
| 1992 | 8,970 | 1,748 | 17,034 | 12,896 |
| 1993 | 6,562 | 1,542 | 14,899 | 13,075 |
| 1994 | 4,936 | | 12,983 | 12,223 |
| Thereafter | 19,176 | | 69,408 | 101,979 |
| TOTAL Minimum Lease Payments | **$63,665** | 7,205 | 151,811 | 166,712 |
| Less Imputed Interest | | (954) | (53,326) | (54,761) |
| Present Value of Minimum Lease Payments | | **$6,251** | **$98,485** | **$111,951** |

## D. NOTES AND BONDS PAYABLE

Many institutions of higher education and the Trinidad State Nursing Home have issued bonds and notes for the purchase of equipment and construction of facilities. Specific user revenues are pledged for the payments of interest and future retirement of the obligations.

Annual maturities of the obligations are listed below:

(Amounts in Thousands)

| Fiscal Year | Bonds | Notes | Total |
|---|---|---|---|
| 1990 | $ 14,011 | $ 177 | $ 14,188 |
| 1991 | 14,298 | 296 | 14,594 |
| 1992 | 14,424 | 293 | 14,717 |
| 1993 | 14,535 | 164 | 14,699 |
| 1994 | 14,119 | 164 | 14,283 |
| 1995-1999 | 67,670 | 819 | 68,489 |
| 2000-2004 | 52,331 | 715 | 53,046 |
| 2005-2009 | 42,198 | 424 | 42,622 |
| 2010-2014 | 11,867 | - | 11,867 |
| TOTAL Future Payments | **245,452** | **3,053** | **248,505** |
| Less Interest | (112,857) | (1,166) | (114,023) |
| TOTAL Principal Payments | **$132,595** | **$1,887** | **$134,482** |

The State is not aware of any violations of any note or bond covenants by itself or any of its institutions at June 30, 1989 or subsequent to that date.

## E. ACCRUED COMPENSATED ABSENCES LIABILITIES

State law, concerning the accrual of sick leave, was changed effective July 1, 1988. After that date all employees in permanent positions earned and accrued sick leave at the rate of six hours and forty minutes per month. Total sick leave per employee is limited to their respective accrued balance on July 1, 1988 plus 360 additional hours. After earning the maximum accrual each employee may convert five hours of sick leave to one hour of annual leave. Employees are paid for one-fourth of their unused sick leave upon death or retirement.

Annual leave is earned at increasing rates based upon longevity. In no event can an employee accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100% of their annual leave balance upon leaving state service.

Compensated absence liabilities related to the governmental funds are recorded in the Long-Term Debt Account Group. The current portion of the compensated absence liability accrual is not recognized in the governmental funds as it is not expected to be funded out of current available resources. For all other fund types, both current and long-term portions are recorded as individual fund liabilities.

## F. OTHER LONG-TERM LIABILITIES

The following obligations, listed by fund type, represent amounts owed by the State at June 30, 1989 which are classified as Other Long-Term Liabilities on the balance sheet:

(Amounts in Thousands)

| | Special Revenue | Fiduciary Fund Types | Long-Term Debt | Total |
|---|---|---|---|---|
| Security Deposits | $ 4 | | | $ 4 |
| Claimant Benefits | | $ 6,227 | | 6,227 |
| Deferred Compensation Due Participants | | 71,931 | | 71,931 |
| Tax Refunds Payable | | | $ 499 | 499 |
| Labor Fund Claims | | | 77,566 | 77,566 |
| Deposits Held for Others | | 133,076 | | 133,076 |
| TOTAL | $ 4 | $211,234 | $78,065 | $289,303 |

The State Employees and Officials Group Insurance Trust has recognized $5.5 million in liability for incurred but unreported claims. Deposits held for others are held by various departments as refundable deposits and guarantees, funds held for residents in state run facilities, and funds held prior to being disbursed to citizens and entities within Colorado. Tax refunds payable is the estimated amount for late filed tax returns which will be paid after one year.

Long-term liabilities against the Labor Fund are recorded in the General Long-Term Debt Group of Accounts. Estimated future payments are actuarially determined. Amounts are:

| | |
|---|---|
| Major medical benefits | $61.4 million |
| Subsequent Injury | 16.0 million |
| Medical Disaster | .1 million |

Benefits are expected to be funded through future revenues from a special tax on worker's compensation premiums, court awards and interest income.

## G. DEFEASED DEBT

Debt is defeased by depositing in escrow accounts a portion of the net proceeds of new bond issues an amount sufficient, together with known minimum yields from investment of such monies, to pay principal, interest, and any redemption premium on the refunded issues.

During Fiscal Year 1989 the University of Colorado at Boulder borrowed for twenty-five years, $1,528,600 at interests rates between 6.75 and 7.25 percent to advance refund $2,060,000 of their 1971 Recreation Building Refunding. The advance refunding resulted in a reduction of $651,805 in debt service cash flows and an economic gain (the difference between the present values of the debt service payments on the old and new debt) of $409,578.

In addition, the Department of Administration borrowed $2,864,862 for five years, at an average of 5.6 to 6.3 percent to advance refund $3,480,000 of the lease purchase of the Grand Junction State Services Building. The refunding resulted in a reduction of $1,473,875 in debt service cash flows and an economic gain of $582,669.

The balances of outstanding debt all in the College and University Funds at June 30, 1989 which have been placed in escrow type accounts with paying agents are listed as follows:

(Amounts in Thousands)

| | |
|---|---|
| University of Colorado | $ 67,130 |
| Colorado State University | 36,976 |
| School of Mines | 9,520 |
| Fort Lewis College | 7,125 |
| University of Southern Colorado | 3,105 |
| University of Northern Colorado | 5,575 |
| Trinidad State Jr. College | 471 |
| **TOTAL** | $129,902 |

## H. OUTSTANDING ENCUMBRANCES

Encumbrance accounting, under which purchase orders and contracts for expenditures of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Project funds. Encumbrances outstanding at year-end are not reported as a reservation of fund balances but are considered to be a commitment for the expenditure of available resources in future periods. However, certain appropriations which have been encumbered are allowed to roll-forward into the subsequent period and these encumbered appropriations are a reservation of fund balance.

On June 30, 1989, outstanding encumbrances in all funds amounted to $342.3 million. This amount included $206.6 million from the Special Revenue funds, $74.0 million from the Capital Projects Funds, $57.8 million from the General Fund, and the remainder from various other funds.

## I. CONTINGENCIES

The State has established a self-insurance fund managed by the Risk Management Division of the Department of Administration. Operations of this division are recorded in the Internal Service Fund. Estimates for unpaid insurance losses are recorded as liabilities in this fund.

Most of these claims are limited by the Colorado Governmental Immunity Act which sets upward limits of State liability at $150,000 per person and $400,000 per occurrence. Judgments awarded against the State for which there is no insurance coverage or are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

During FY 1989 the State recognized revenue of $4.3 million from unclaimed property. A payable in the amount of $2.4 million has been established to cover future claims on this property as the owners are identified. The State is liable for all authentic claims on all of this property.

Many State agencies enter into various grant and contract agreements with the Federal government and other parties. These agreements generally provide for audits of the transactions pertaining to the agreements, with the State being liable to those parties for any disallowed expenditures. Audit disallowances and error sanctions in the Department of Social Services total approximately $16.0 million. The State is contesting the disallowances and their outcome is uncertain at this time.

At June 30 the Lottery Division of the Department of Revenue had purchased annuities of approximately $72 million in the name of lottery or lotto prize winners. The probability that any of the sellers of the annuity contracts will default is remote.

The State is a defendant in numerous lawsuits involving claims of inadequate, negligent, or unconstitutional treatment of prisoners and mental patients. In some of these suits, plaintiffs are seeking or have obtained certification of a class for a class action. Most of these cases involved allegations of actual damages that are not material but include allegations of

punitive damages that may be material. In addition, numerous other cases are pending in which the plaintiffs allege that the State has deprived persons of their civil rights. In the aggregate, the monetary damages claimed (actual, punitive, and attorney's fees) in these cases would exceed the insurance coverage available by a material amount. The State believes it is highly unlikely that there will be actual awards of judgments in material amounts.

There are various other claims and litigations pending, incident to the operations of State government. The most significant involves a $680 million class action claim filed October 19, 1984 against the State Compensation Fund for bad faith insurance practice and other unclear negligent, intentionally outrageous conduct for the request for and issuance of an Attorney General's formal opinion regarding worker's compensation which is adverse to the claimants. The Court of Appeals ruled with the State in a prior decision which is currently under review by the State Supreme Court.

Three hospitals have sued the Department of Social Services in U.S. courts for additional funding under Medicaid. Potential costs to the State could be as high as $20 million per year of general funds. (See Note V (B)).

Another material case is between AT&T and the Department of Revenue concerning claimed exemption from sales tax on access charges paid on completing long distance phone calls. At risk is approximately $30 million in taxes and interest already collected that would have to be refunded by the General Fund. In addition, there exists a potential loss of $9 to $10 million in annual tax revenues from this sales tax. (See Note V (B)).

A case alleging illegal assessment of income taxes on military retirement pay has resulted in the State changing its tax laws and establishing a fund to pay refunds of approximately $20 million. However, the courts have yet to determine if the tax was illegal and the refunds are due to those claiming them. Martin Marietta Corporation has sued alleging the property which is purchased in the performance of government contracts, title to which passes to the federal government, is exempt from use tax. The District Court ruled in favor of the plaintiff in July 1987. The Court of Appeals did likewise. The State has appealed to the Supreme Court. Loss to the State would approximate $5 million.

A State Board that contracted for health insurance to State employees has been sued by one of its former HMO providers alleging irregularities in the award of State health insurance plan to Blue Cross-Blue Shield. Discovery indicates that the ultimate liability of the State could be as high as $13.5 million.

Depositors at failed industrial banks are suing the State and other entities to recover their lost deposits plus relief. Plaintiffs' claims exceed $40 million.

The State believes it has a good chance of prevailing in these cases, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements. A report of significant pending litigation and claims prepared by the Colorado Attorney General's Office is available from the State Controller's Office.

# COLORADO

NOTE IV. PENSION SYSTEM AND OBLIGATIONS

A. PLAN DESCRIPTION

Virtually all State of Colorado employees participate in a defined benefit retirement plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost-sharing multiple-employer public employee retirement system administered by the Public Employees' Retirement Association (PERA), established by State statute in 1931. Total wages for FY 1989 for the State were $1,362 million and total covered wages were $1,074 million with a State contribution to PERA of $131.0 million and contributions to other pension plans of $19.3 million.

Employees contribute 8 percent (9 percent for state troopers) of their annual gross earnings subject to PERA to an individual account in the plan. The State contributed 12.2 percent (13.2 percent for state troopers) of the employee's salary during FY 1989 to the plan. During FY 1988 the State had contributed 10.2 percent and 11.2 percent respectively, for that one fiscal only. The annual gross earnings subject to PERA is the gross earnings less any reduction in pay to offset employer contributions to the State sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Employees are vested after five years of State service for which PERA contributions are made. Employees who terminate before becoming vested receive back their contributions made to the plan. Employees terminating after vesting may, if they desire, remain in the plan till eligible for retirement or withdraw their contributions and terminate their individual accounts. Any employee withdrawing from PERA and receiving a refund of their contributions receives no interest on their account.

Benefits are calculated as a percentage of highest average salary (HAS) of the three highest annual salaries earned during calendar year periods on which contributions were made. Service retirement benefits are calculated at 2.5 percent of HAS for each year of service through 20 years, and 1.25 percent of HAS for each year between 20 and 40 years of service with a maximum benefit of 75 percent of HAS. Plan members are eligible to retirement benefits at age 55 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. State Troopers are eligible for retirement benefits at age 55 with 20 years of service or any age with 30 years of service.

Members may receive reduced retirement benefits as early as age 55 with 20 years of service or at age 60 with 5 years of service. Reduced retirement is calculated the same as the regular retirement except for the reduction of 0.333 percent (4 percent per year) for each month the employee retires prior to being eligible for the regular retirement benefit.

Members disabled who have five or more years of service credit may receive retirement benefits if determined to be permanently disabled. Spouses and eligible children under the age of 18 of members who die before retirement are entitled to monthly benefit payments. If the employee had less than 10 years service credit then the surviving spouse receives a monthly benefit at age 60 or immediately if the employee had more than 10 years service credit.

## B. PLAN CHANGES

In the 1988 session of the General Assembly the plan was modified as follows:

- A reduction from five years to one year was made to the number of years of service credit a member needs before they can purchase service credit related to non-covered employment and allows the use of tax deferred retirement moneys to the extent allowed by federal law to do this.
- State Troopers will be eligible to retire with service benefits at age 50 if they earned at least 25 years of service credit.
- State Troopers will earn 1.50 percent of HAS after 20 years of service instead of the present 1.25 percent.
- State Troopers will begin to contribute 12.3 percent of salary to PERA, up from 9.0 percent.

## C. FUNDING STATUS AND PROGRESS

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended, on an ongoing basis, to facilitate the assessment of the plan's funding status and progress in accumulating sufficient assets to pay benefits when due and to allow for appropriate comparisons of this data among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the Plan as of December 31, 1988. It is the standardized disclosure measure prepared in accordance with Governmental Accounting Standards Board Statement No. 5. Significant actuarial assumptions used to determine the pension benefit obligation include:

- A rate of return on the investment of present and future assets of 7.5 percent compounded annually;
- Projected salary increases of 5.5 percent compounded annually attributable to inflation and 0 to 7.4 percent per year, depending on age, attributable to longevity or merit; and
- Projected benefit increases ranging from 1.5 to 3 percent per year after retirement.

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At December 31, 1988 assets in excess (or less than) of pension obligation for the State Division of PERA were (expressed in thousands):

| | |
|---|---|
| Pension benefit obligation: | |
| Retirees and beneficiaries currently receiving benefits | $1,461,380 |
| Terminated members not yet receiving benefits | 19,282 |
| Current members: | |
| Accumulated member contributions including allocated investment income | 526,710 |
| Employer financed - vested | 1,190,519 |
| Employer financed - nonvested | 47,035 |
| TOTAL pension benefit obligation | 3,244,926 |
| Net assets available for benefits, at fair market value (allocated) | 3,116,290 |
| Assets in excess of (or less than) pension benefit obligation | **$ (128,636)** |

Employer contributions are determined using the entry age normal actuarial cost method with amortization of the unfunded actuarial liability over 28 years which is less than the 60 years set by State statute. The actuarially determined contributions for December 31, 1988 consisted of (expressed in thousands):

| | Amount | % of Current Covered Payroll |
|---|---|---|
| Employer normal cost | $134,910 | 13.18 |
| Amortization in 28 years of unfunded actuarial liability | 15,661 | 1.53 |
| Amortization of supplemental benefits: | | |
| Disability retirements | 18,322 | 1.79 |
| Cost of living stabilization fund | 20,472 | 2.00 |
| Health care fund | 8,189 | 0.80 |
| Employee Contribution | (82,706) | (8.08) |
| Statutory employer contribution | **$114,848** | **11.22** |

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation as previously described. Progress in funding the unfunded actuarial liability can be shown by the following summary:

(Dollar amounts are in millions)

| Calendar Year | (1) Net Assets Available For Benefits | (2) Pension Benefit Obligation | (3) Percentage Funded (1)/(2) | (4) UPBO Unfunded Pension Benefit Obligation | (5) Annual Covered Payroll | (6) UPBO as percent of of Covered Payroll (4)/(5) |
|---|---|---|---|---|---|---|
| 1988 | $3,116 | $3,244 | 96.0% | $129 | $1,024 | 12.6% |
| 1987 | 2,764 | 3,007 | 91.9 | 243 | 1,001 | 24.2 |

## D. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Ten year historical trend information is available in reports issued by PERA. Membership and benefit statistics are:

| At December 31, 1988 | State Division | School Division | Municipal Division | Judicial Division | Total |
|---|---|---|---|---|---|
| Active Membership | 37,573 | 58,243 | 7,006 | 242 | 103,064 |
| Retired Membership | 13,916 | 14,691 | 1,418 | 150 | 30,175 |
| Retired during 1988 | 859 | 1,092 | 110 | 7 | 2,068 |
| Total benefits paid 1988 (000) | $138,994 | $133,432 | $11,976 | $2,246 | $286,648 |
| Average monthly benefit: | | | | | |
| All retirees | 865 | 798 | 730 | 1,201 | 828 |
| Retired in 1988 | 1,119 | 1,107 | 904 | 1,140 | 1,103 |
| Pension benefit obligation (000) | 3,244,926 | 4,191,930 | 380,764 | 46,308 | 7,863,928 |
| Net assets available for benefits | 3,116,290 | 4,374,779 | 405,608 | 44,486 | 7,941,163 |
| Assets in excess of (or less than) pension benefit obligation | (128,636) | 182,849 | 24,844 | (1,822) | 77,235 |

## E. OTHER RETIREMENT PLANS

Some employees of various institutions of higher education may be covered under other retirement plans. Presidents, deans, professors, and instructors in State educational institutions are enrolled in the Teachers Insurance and Annuity Association (TIAA). The State's legal obligation is limited to the amounts paid to TIAA. Faculty members at the University of Colorado are also under Social Security. Faculty at Colorado State University are exclusively covered by PERA.

The State contributed $19.3 million to other retirement plans during FY 1989.

## F. EMPLOYEE DEFERRED COMPENSATION

The State initiated a deferred compensation plan for state employees in 1981. This plan has a third party administrator and all costs of administration and funding are borne by the plan participants. Investments and accumulated earnings of the plan at June 30, 1988 and June 30, 1989 totaled $54.2 million and $71.9 million respectively.

Assets in the plan remain the property of the State until paid or made available to the participants, subject only to the claims of the State's general creditors. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State never has, nor does it believe, that it will have to use the assets to satisfy any claims of its general creditors.

**G. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. Under this program PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During 1988, the subsidy was $95.00 for those with 20 years of service credit and reduced by $4.75 for each year under 20. Health Care Fund is maintained by a contribution of 0.8 percent of covered salary.

Monthly premium costs for participants depend on the health care plan selected, the number of persons being covered and Medicare eligibility, and the number of years of service credit a retiree has. PERA uses Blue Cross and Blue Shield of Colorado and seven health maintenance organizations. At December 31, 1988 64 percent of eligible participants were enrolled in this program.

PERA provides its members access to two group life insurance plans offered by Prudential and New York Life. Members may join one or both plans, and may continue coverage into retirement. Premiums are paid monthly by payroll deduction.

Separate post-retirement health care and life insurance benefit plans exist in some State colleges and universities but are small in comparison to the State plan for classified employees.

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**NOTE V. SUBSEQUENT EVENTS**

**A. NOTE ISSUANCE**

On July 11, 1989, the State issued $145 million in General Fund Tax and Revenue Anticipation Notes, Series 1989. These notes are exempt from federal taxation and carry an effective interest rate of 5.81%. The State received a MIG1 rating from Moody's and an SP1+ from Standard & Poors.

The notes were issued to fund the State's anticipated cash flow deficit for the fiscal year which will end June 30, 1990. The proceeds of the sale were deposited in the General Fund to be used to meet ordinary disbursements of the State. Issuance of the notes was authorized by the Funds Management Act of 1986 and under the law they must be repaid by June 27, 1990.

On July 15, 1989 the State issued $66.9 million in Certificates of Participation of the Master Lease Purchase Agreement for its correctional facilities projects, a building project at the Auraria Higher Education Center, and equipment for the State Highway Department. The State received a AAA rating from both Moody's and Standard & Poors.

**B. COURT DECISIONS**

On July 24, 1989, the Supreme Court of Colorado ruled in favor of the State and against AT&T Communications in a case concerning the payment of sales tax on the purchase of access rights to the local telephone exchange. The tax has not been collected since October 1, 1986 when the district court barred the collection of the tax.

Three hospitals have sued the State for additional funding citing the State's medicaid reimbursement plan as inadequate. On July 11, 1989 the U.S. Tenth Circuit Court of Appeals held for the plaintiffs and remanded the case to the U.S. District Court for further proceedings. The State has appealed this case to the U.S. Supreme Court and will defend this suit vigorously. A loss would result in approximately an additional $25 million in annual general fund medicaid expenditures.

Although the State considers the liability to only arise after the Tenth Circuit Court decision, attorneys for the plaintiffs argue that payment would be retroactive to July 1, 1988.

**C. OTHER**

On October 1, 1989, University Hospital began operations as a new non-profit corporation pursuant to legislation adopted during the 1989 session of the General Assembly. A lease and transfer agreement between the University of Colorado and the corporation provides for the lease of land for a nominal fee and the transfer of $62.2 million of assets and $25.1 million of liabilities to the corporation from the Health Sciences Center. The Board of Regents of the University will remain as the board of directors of the hospital.

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# COMBINING FINANCIAL STATEMENTS AND SCHEDULES

# COLORADO

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# GENERAL FUND

The General Fund is the principal operating fund of the State. It is used to account for all governmental financial resources and transactions not accounted for in another fund.

# COLORADO

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## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | ORIGINAL ESTIMATE/BUDGET | REVISED ESTIMATE/BUDGET | FY 88-89 ACTUAL | GENERAL FUND REVERSIONS |
|---|---|---|---|---|
| REVENUES: | | | | |
| Sales and Use Taxes | $ 740,700 | $ 751,100 | $ 749,548 | |
| Other Excise Taxes | 85,400 | 82,200 | 85,491 | |
| Individual Income Tax, net | 1,214,700 | 1,298,600 | 1,311,033 | |
| Corporate Income Tax, net | 148,500 | 171,200 | 167,030 | |
| Estate Tax | 15,000 | 16,400 | 15,464 | |
| Insurance Tax | 88,200 | 82,000 | 81,444 | |
| Parimutuel, Courts, and Other | 46,500 | 46,200 | 49,293 | |
| Interest Earnings | 5,000 | 12,000 | 15,622 | |
| Severance Tax | 5,700 | 8,600 | 10,715 | |
| TOTAL GENERAL PURPOSE REVENUES | $2,349,700 | $2,468,300 | $2,485,640 | |
| EXPENDITURES: | | | | |
| Administration | $ 12,563 | $ 12,539 | $ 11,626 | $ 913 |
| Agriculture | 5,741 | 5,754 | 5,760 | (6) |
| Corrections | 84,074 | 97,259 | 97,039 | 219 |
| Education | 961,126 | 962,136 | 961,463 | 674 |
| Governor | 3,125 | 3,080 | 3,081 | (1) |
| Health | 24,194 | 24,303 | 22,634 | 1,669 |
| Higher Education | 475,309 | 475,190 | 475,069 | 121 |
| Institutions | 125,333 | 125,239 | 123,571 | 1,668 |
| Judicial Branch | 95,750 | 96,574 | 96,797 | (223) |
| Labor and Employment | - | 425 | 625 | (200) |
| Law | 5,258 | 5,926 | 5,870 | 56 |
| Legislative Branch | 18,114 | 18,458 | 16,631 | 1,827 |
| Local Affairs | 7,258 | 7,332 | 7,134 | 197 |
| Military Affairs | 1,732 | 1,838 | 1,803 | 35 |
| Natural Resources | 14,832 | 15,387 | 15,346 | 42 |
| Personnel | 3,537 | 3,548 | 3,546 | 2 |
| Public Safety | 17,792 | 18,127 | 17,684 | 443 |
| Regulatory Agencies | 7,816 | 7,881 | 7,684 | 197 |
| Revenue | 22,272 | 22,476 | 22,116 | 361 |
| State | - | - | (630) | 630 |
| Social Services | 339,472 | 359,676 | 354,293 | 5,384 |
| Treasury | 1,560 | 1,814 | 1,653 | 161 |
| Capital Construction Fund Transfer | 19,022 | 70,481 | 70,481 | - |
| Highway Users Tax Fund Transfer | 30,000 | 30,000 | 30,000 | - |
| Water Project Construction Fund Transfer | 5,000 | 5,000 | 5,000 | - |
| TOTAL GENERAL FUNDED EXPENDITURES | $2,280,880 | $2,370,443 | $2,356,275 | $14,168 |
| Excess General Revenues over General Fund Expenditures | 68,820 | 97,857 | 129,365 | |
| Less: Rebates | (103,900) | (100,500) | (100,382) | |
| Excess Net Revenues | (35,080) | (2,643) | 28,983 | |
| Beginning Unreserved Fund Balance | 90,069 | 100,324 | 100,324 | |
| Inventory Reserve Adjustment | - | 5,745 | 5,745 | |
| Prior Period Adjustments | - | - | (221) | |
| Ending Unreserved Fund Balance | $ 54,989 | $ 103,426 | $ 134,832 | |

# COLORADO

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# SPECIAL REVENUE FUNDS

## HIGHWAY

Expenditures of this fund are primarily for the construction and maintenance of public highways, operations of the State Patrol, and Ports of Entry; while revenues are from excise taxes on motor fuels, driver and vehicle registration fees, and ton-mile taxes.

## WILDLIFE

Expenditures of this fund are used to preserve the State's wildlife and promote outdoor recreational facilities, while revenues are from hunting and fishing license fees as well as various fines.

## LABOR

This fund accounts for various medical benefits for injured workers allowable by statute which their workmen's compensation benefits do not cover.

# COLORADO

## COMBINING BALANCE SHEET
## SPECIAL REVENUE FUNDS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | HIGHWAY | WILDLIFE | LABOR | TOTALS |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Short-Term Investments | $135,283 | $16,901 | $ 7,818 | $160,001 |
| Taxes Receivable, net | 35,730 | - | 7,685 | 43,415 |
| Other Receivables, net | 3,002 | 816 | - | 3,818 |
| Due From Other Governments | 41,176 | 831 | - | 42,007 |
| Due From Other Funds | 3,005 | - | - | 3,005 |
| Inventories | 16,322 | 1,169 | - | 17,491 |
| Other Current Assets | 107 | 544 | - | 651 |
| TOTAL ASSETS | $234,625 | $20,260 | $15,503 | $270,388 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $51,202 | $ 1,123 | $11,105 | $ 63,430 |
| Due To Other Governments | 21,610 | - | - | 21,610 |
| Due To Other Funds | 362 | - | 9 | 372 |
| Deferred Revenue | 887 | 9,380 | - | 10,267 |
| Other Long-Term Liabilities | 4 | - | - | 4 |
| TOTAL LIABILITIES | 74,066 | 10,503 | 11,114 | 95,682 |
| FUND EQUITY: | | | | |
| Fund Balances: | | | | |
| Reserved For: | | | | |
| Other Specific Purposes | 160,560 | 9,757 | 4,389 | 174,706 |
| TOTAL FUND EQUITY | 160,560 | 9,757 | 4,389 | 174,706 |
| TOTAL LIABILITIES AND FUND EQUITY | $234,625 | $20,260 | $15,503 | $270,388 |

# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | HIGHWAY | WILDLIFE | LABOR | TOTALS |
|---|---|---|---|---|
| REVENUES: | | | | |
| Taxes | $392,890 | $ 1,254 | $19,659 | $413,803 |
| License, Permits, and Fines | 4,199 | 33,264 | - | 37,463 |
| Charges for Goods and Services | 470 | 585 | - | 1,055 |
| Interest and Rents | 202 | 1,341 | 595 | 2,138 |
| Federal Grants and Contracts | 216,615 | 4,546 | - | 221,161 |
| Other | 27,404 | 1,047 | 3,685 | 32,136 |
| TOTAL REVENUES | 641,780 | 42,037 | 23,939 | 707,755 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | 5,928 | - | - | 5,928 |
| Justice | 30,492 | - | - | 30,492 |
| Natural Resources | (4,316) | 36,428 | - | 32,111 |
| Social Assistance | - | - | 10,147 | 10,147 |
| Transportation | 414,480 | - | - | 414,480 |
| Capital Outlay | 24,549 | 1,118 | 8 | 25,675 |
| Intergovernmental | | | | |
| Cities | 54,595 | - | - | 54,595 |
| Counties | 89,942 | 5 | - | 89,947 |
| Special Districts | 4,186 | 486 | - | 4,672 |
| TOTAL EXPENDITURES | 619,856 | 38,037 | 10,154 | 668,047 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 21,924 | 3,999 | 13,785 | 39,708 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfer-In | 30,000 | - | - | 30,000 |
| Operating Transfer-Out | (46,266) | (1,719) | - | (47,985) |
| TOTAL OTHER FINANCING SOURCES (USES) | (16,266) | (1,719) | - | (17,985) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 5,658 | 2,280 | 13,785 | 21,723 |
| FUND BALANCE, JULY 1 | 154,902 | 7,477 | (9,396) | 152,983 |
| FUND BALANCE, JUNE 30 | $160,560 | $ 9,757 | $ 4,389 | $174,706 |

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# CAPITAL PROJECTS FUNDS

## REGULAR CAPITAL CONSTRUCTION

This fund accounts for the construction and maintenance projects for State buildings which are financed primarily from revenue sources appropriated by the Legislature. These include transfers from the general fund, lottery fund, and may include matching federal funds.

## SPECIAL CAPITAL CONSTRUCTION

This fund also accounts for State building projects, but are financed from non-appropriated financing sources such as private grants and donations as well as federal grants.

# COLORADO

## COMBINING BALANCE SHEET
## CAPITAL PROJECTS FUNDS
## JUNE 30, 1989
**(DOLLARS IN THOUSANDS)**

| | REGULAR CAPITAL CONSTRUCTION | SPECIAL CAPITAL CONSTRUCTION | TOTALS |
|---|---|---|---|
| ASSETS: | | | |
| Cash and Short-Term Investments | $ 46,824 | $123,321 | $170,145 |
| Other Receivables, net | - | 3,107 | 3,107 |
| Due From Other Governments | 4,220 | 408 | 4,628 |
| Due From Other Funds | 51,178 | - | 51,178 |
| Other Current Assets | 8,267 | - | 8,267 |
| Other Long-Term Assets | - | 51,563 | 51,563 |
| TOTAL ASSETS | $110,490 | $178,400 | $288,890 |
| LIABILITIES: | | | |
| Accounts Payable and Accrued Liabilities | $ 9,821 | $ 510 | $ 10,332 |
| Due To Other Funds | 1,226 | 2,071 | 3,297 |
| Deferred Revenue | 7,062 | 1,625 | 8,687 |
| TOTAL LIABILITIES | 18,109 | 4,207 | 22,315 |
| FUND EQUITY: | | | |
| Fund Balances: | | | |
| Reserved For: | | | |
| Appropriation Roll-Forwards | 74,406 | - | 74,406 |
| Other Specific Purposes | | 174,193 | 174,193 |
| Unreserved | 17,975 | - | 17,975 |
| TOTAL FUND EQUITY | 92,381 | 174,193 | 266,574 |
| TOTAL LIABILITIES AND FUND EQUITY | $110,490 | $178,400 | $288,890 |

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | REGULAR CAPITAL CONSTRUCTION | SPECIAL CAPITAL CONSTRUCTION | TOTALS |
|---|---|---|---|
| REVENUES: | | | |
| Taxes | $ 2,213 | $ 1,232 | $ 3,445 |
| License, Permits, and Fines | 3,043 | 218 | 3,261 |
| Charges for Goods and Services | 6,299 | - | 6,299 |
| Interest and Rents | 5,510 | 13,811 | 19,321 |
| Federal Grants and Contracts | 6,755 | 7,075 | 13,831 |
| Other | 2,473 | 1,306 | 3,779 |
| TOTAL REVENUES | 26,294 | 23,643 | 49,937 |
| EXPENDITURES: | | | |
| Capital Outlay | 60,302 | 27,494 | 87,796 |
| Intergovernmental | | | |
| Cities | 340 | 132 | 473 |
| Counties | 67 | 282 | 349 |
| School Districts | - | 17 | 17 |
| Special Districts | 297 | 348 | 644 |
| Federal | 381 | - | 381 |
| TOTAL EXPENDITURES | 61,386 | 28,273 | 89,659 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (35,092) | (4,630) | (39,723) |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfer-In | 95,717 | 5,000 | 100,717 |
| Operating Transfer-Out | (23,394) | (19,873) | (43,267) |
| Future Capital Lease Payments | - | 63,365 | 63,365 |
| TOTAL OTHER FINANCING SOURCES (USES) | 72,323 | 48,492 | 120,815 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 37,231 | 43,861 | 81,092 |
| FUND BALANCE, JULY 1 | 55,150 | 130,332 | 185,482 |
| FUND BALANCE, JUNE 30 | $92,381 | $174,193 | $266,574 |

# COLORADO

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# ENTERPRISE FUND

This fund accounts for the self-sustaining operations of State agencies which provide services to the general public on a user charge basis. The major activities in this fund are:

## GUARANTEED STUDENT LOAN

This activity comprises the Colorado Student Loan Division which guarantees loans made by private lending institutions to students attending postsecondary schools, in compliance with operating agreements with the U.S. Department of Education. It also includes loan programs for Colorado residents which are not reinsured by the Federal government.

## STATE LOTTERY

This activity encompasses the lotto and the various lottery games the State runs under the authority of State statute. The net proceeds are used to support State construction projects.

## BUSINESS ENTERPRISE PROGRAM

This activity comprises the food vending stands run by the visually impaired under supervision and guidance of the Department of Social Services.

## STATE NURSING HOMES

This activity is for nursing home and retirement care provided to the elderly at the State facilities at Homelake, Florence, Rifle, and Trinidad.

## CORRECTIONAL INDUSTRIES

This activity is for the production and sale of manufactured goods and farm products produced by convicted criminals who are being rehabilitated in the State prison system.

## OTHER ENTERPRISE ACTIVITIES

The other enterprise activities of the State include employee parking operations, surplus property disposal, and miscellaneous canteen operations at various State institutions.

# COLORADO

## COMBINING BALANCE SHEET
## ENTERPRISE FUNDS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | GUARANTEED STUDENT LOAN | STATE LOTTERY | BUSINESS ENTERPRISE PROGRAM | STATE NURSING HOMES |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Short-Term Investments | $ 7,943 | $ 25,740 | $ 451 | $ 101 |
| Other Receivables, net | 799 | 1,819 | 33 | 171 |
| Due From Other Governments | 14,588 | - | - | 616 |
| Due From Other Funds | - | - | - | 45 |
| Inventories | 89 | 580 | 16 | 240 |
| Other Current Assets | 33 | 23 | 195 | - |
| Property, Plant and Equipment, net | 1,146 | 1,111 | 583 | 5,610 |
| TOTAL ASSETS | $24,599 | $29,273 | $1,277 | $6,784 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $ 2,825 | $ 7,406 | $ 96 | $ 296 |
| Due To Other Funds | - | 210 | - | - |
| Deferred Revenue | - | 1,703 | - | 25 |
| Notes and Bonds Payable | - | - | - | 230 |
| Accrued Compensated Absences | 212 | 353 | 30 | 358 |
| TOTAL LIABILITIES | 3,037 | 9,672 | 125 | 908 |
| FUND EQUITY: | | | | |
| Contributed Capital | 15 | - | - | 3,603 |
| Unreserved Retained Earnings | 21,547 | 19,601 | 1,152 | 2,273 |
| TOTAL FUND EQUITY | 21,562 | 19,601 | 1,152 | 5,876 |
| TOTAL LIABILITIES AND FUND EQUITY | $24,599 | $29,273 | $1,277 | $6,784 |

| CORRECTIONAL INDUSTRIES | OTHER ENTERPRISE ACTIVITIES | TOTALS |
|---|---|---|
| $ 1,016 | $1,469 | $36,720 |
| 176 | 7 | 3,006 |
| 157 | 188 | 15,549 |
| 469 | 51 | 566 |
| 3,855 | 526 | 5,306 |
| 2 | 7 | 261 |
| 4,455 | 2,953 | 15,858 |
| $10,130 | $5,202 | $77,265 |
| | | |
| $ 753 | $ 413 | $11,789 |
| - | 37 | 247 |
| - | 22 | 1,750 |
| - | - | 230 |
| 308 | 35 | 1,295 |
| 1,062 | 506 | 15,310 |
| | | |
| 5,831 | 1,363 | 10,812 |
| 3,238 | 3,333 | 51,144 |
| 9,069 | 4,695 | 61,955 |
| | | |
| $10,130 | ,202 | $77,26 |

# COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
## ENTERPRISE FUNDS
## FOR THE YEAR ENDED JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | GUARANTEED STUDENT LOAN | STATE LOTTERY | BUSINESS ENTERPRISE PROGRAM | STATE NURSING HOMES |
|---|---|---|---|---|
| OPERATING REVENUES: | | | | |
| LICENSE, PERMITS, AND FINES | $ - | $ 99 | $ - | $ - |
| CHARGES FOR GOODS AND SERVICES | 5,341 | 78,904 | 772 | 5,432 |
| INTEREST AND RENTS | 257 | 1,591 | 119 | 13 |
| FEDERAL GRANTS AND CONTRACTS | 25,629 | - | 546 | 2,066 |
| OTHER | 1,268 | - | - | 2,718 |
| TOTAL OPERATING REVENUES | 32,494 | 80,595 | 1,437 | 10,229 |
| OPERATING EXPENSES: | | | | |
| SALARIES & FRINGE BENEFITS | 4,453 | 12,004 | 541 | 7,693 |
| OPERATING | 23,541 | 5,354 | 587 | 2,179 |
| DEPRECIATION | 239 | 309 | 182 | 337 |
| TRAVEL | 77 | 104 | 3 | 12 |
| INTERGOVERNMENTAL | 629 | - | - | - |
| PRIZES | - | 45,122 | - | - |
| OTHER | (68) | 100 | 36 | (1) |
| TOTAL OPERATING EXPENSES | 28,871 | 62,994 | 1,349 | 10,219 |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | 3,623 | 17,601 | 88 | 10 |
| OPERATING TRANSFERS: | | | | |
| OPERATING TRANSFER-IN | - | - | - | - |
| OPERATING TRANSFER-OUT | - | (33,000) | - | - |
| NET INCOME/CHANGE IN RETAINED EARNINGS | 3,623 | (15,399) | 88 | 10 |
| FUND EQUITY, JULY 1 | 17,939 | 35,000 | 1,064 | 5,865 |
| FUND BALANCE, JUNE 30 | $21,562 | $19,601 | $1,152 | $5,876 |

| CORRECTIONAL INDUSTRIES | OTHER ENTERPRISE ACTIVITIES | TOTALS |
|---|---|---|
| $ - | $ - | $ 99 |
| 10,927 | 3,961 | 105,338 |
| - | 37 | 2,016 |
| 19 | 17 | 28,278 |
| 78 | 743 | 4,806 |
| 11,024 | 4,758 | 140,537 |
| | | |
| 3,176 | 784 | 28,651 |
| 7,477 | 3,711 | 42,849 |
| 309 | 41 | 1,417 |
| 42 | 7 | 246 |
| - | - | 629 |
| - | - | 45,122 |
| 166 | 69 | 301 |
| 11,170 | 4,612 | 119,216 |
| | | |
| (146) | 146 | 21,322 |
| | | |
| - | 173 | 173 |
| - | - | (33,000) |
| | | |
| (146) | 319 | (11,505) |
| | | |
| 9,215 | 4,376 | 73,460 |
| $9,069 | $4,695 | $61,955 |

# COLORADO

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 1989

(Dollars in Thousands)

| | GUARANTEED STUDENT LOAN | STATE LOTTERY | BUSINESS ENTERPRISE PROGRAM | STATE NURSING HOMES |
|---|---|---|---|---|
| SOURCES OF WORKING CAPITAL: | | | | |
| Operations: | | | | |
| Net Income | $3,623 | ($15,399) | $ 88 | $ 10 |
| Item Not Requiring Working Capital: | | | | |
| Depreciation | 239 | 309 | 182 | 337 |
| Working Capital Provided by Operations | 3,862 | (15,090) | 270 | 347 |
| Net Decrease In: | | | | |
| Property, Plant and Equipment | - | - | - | - |
| Other Long-Term Assets | 23 | - | - | - |
| Net Increase In: | | | | |
| Accrued Compensated Absences | 32 | 43 | 1 | 51 |
| TOTAL SOURCES OF WORKING CAPITAL | 3,917 | (15,047) | 271 | 398 |
| USES OF WORKING CAPITAL: | | | | |
| Net Increase In: | | | | |
| Property, Plant and Equipment | 709 | 424 | 217 | 202 |
| Net Decrease In: | | | | |
| Accrued Compensated Absences | - | - | - | - |
| Bonds and Notes Payable | - | - | - | 105 |
| TOTAL USES OF WORKING CAPITAL | 709 | 424 | 217 | 307 |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | $3,208 | ($15,471) | $54 | $91 |
| ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL: | | | | |
| Cash and Short-Term Investments | ($8,003) | ($15,472) | $65 | $99 |
| Receivables, net | 330 | 997 | (15) | 12 |
| Due From Other Governments | 9,901 | - | - | 246 |
| Due From Other Funds | (2) | - | - | (290) |
| Inventories | 39 | (1,047) | - | 31 |
| Other Current Assets | - | 8 | 13 | - |
| Liability to Pooled Cash | 91 | - | - | - |
| Accounts Payable and Accruals | (982) | (1,975) | (9) | 17 |
| Due to Other Governments | 1,834 | - | - | - |
| Due to Other Funds | - | (172) | - | - |
| Deferred Revenue | - | 2,190 | - | (24) |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | $3,208 | ($15,471) | $54 | $91 |

| CORRECTIONAL INDUSTRIES | OTHER ENTERPRISE ACTIVITIES | TOTALS |
|---|---|---|
| $ (146) | $ 319 | $(11,505) |
| 309 | 41 | 1,417 |
| 163 | 360 | (10,088) |
| - | 23 | 23 |
| 34 | - | 57 |
| 83 | - | 210 |
| 280 | 383 | (9,798) |
| 1,538 | - | 3,090 |
| - | 16 | 16 |
| - | - | 105 |
| 1,538 | 16 | 3,211 |
| $(1,258) | $367 | $(13,009) |
| $(1,907) | $336 | $(24,882) |
| (98) | (3) | 1,223 |
| 121 | (21) | 10,247 |
| 35 | (31) | (288) |
| 752 | 195 | (30) |
| - | 1 | 22 |
| - | - | 91 |
| (163) | (151) | (3,263) |
| - | - | 1,834 |
| 2 | (3) | (173) |
| - | 44 | 2,210 |
| $(1,258) | $367 | $(13,009) |

# COLORADO

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# INTERNAL SERVICE FUNDS

## ADMINISTRATION

This fund accounts for the sales of goods and services to other State agencies. The sales items include mail services, printing, quick copy, motor pool, graphic design, microfilming, and word processing. This Risk Management operation is also recorded in this fund.

## HIGHWAY

This fund records the use and replacement of highway equipment used by the Highway Department. Funding is from user charges made to the Highway Users Trust Fund, a special revenue fund.

## PUBLIC SAFETY

This fund accounts for the rental of aircraft to other State agencies and to other funds within the Department of Public Safety.

# COLORADO

## COMBINING BALANCE SHEET
## INTERNAL SERVICE FUNDS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | ADMINISTRATION | HIGHWAYS | PUBLIC SAFETY | TOTALS |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Short-Term Investments | $ 1,215 | $ 6,132 | $ 182 | $ 7,530 |
| Other Receivables, net | 3 | - | - | 3 |
| Due From Other Governments | 69 | 4 | 7 | 80 |
| Due From Other Funds | 84 | - | - | 84 |
| Inventories | 292 | 676 | - | 969 |
| Other Current Assets | 95 | - | 1 | 96 |
| Property, Plant and Equipment, net | 15,483 | 63,948 | 385 | 79,816 |
| TOTAL ASSETS | $17,241 | $70,761 | $ 576 | $88,578 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $ 5,809 | $ 1,144 | $ 26 | $ 6,978 |
| Due To Other Funds | 2 | - | - | 3 |
| Deferred Revenue | 71 | - | - | 71 |
| Capital Lease Obligations | 5,386 | 865 | - | 6,251 |
| Accrued Compensated Absences | 524 | - | - | 524 |
| TOTAL LIABILITIES | 11,793 | 2,008 | 26 | 13,827 |
| FUND EQUITY: | | | | |
| Contributed Capital | 2,916 | 43,695 | - | 46,611 |
| Unreserved Retained Earnings | 2,533 | 25,058 | 550 | 28,140 |
| TOTAL FUND EQUITY | 5,449 | 68,753 | 550 | 74,751 |
| TOTAL LIABILITIES AND FUND EQUITY | $17,241 | $70,761 | $ 576 | $88,578 |

# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
# INTERNAL SERVICE FUNDS
# FOR THE YEAR ENDED JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | ADMINISTRATION | HIGHWAYS | PUBLIC SAFETY | TOTALS |
|---|---|---|---|---|
| OPERATING REVENUES: | | | | |
| Charges for Goods and Services | $19,439 | $22,492 | $ 225 | $42,156 |
| Interest and Rents | 382 | 4,400 | - | 4,783 |
| Federal Grants and Contracts | - | 4 | - | 4 |
| Other | 10,537 | - | 25 | 10,562 |
| TOTAL OPERATING REVENUES | 30,358 | 26,897 | 250 | 57,505 |
| OPERATING EXPENSES: | | | | |
| Salaries & Fringe Benefits | 9,329 | 6,803 | 22 | 16,154 |
| Operating | 17,024 | 8,660 | 161 | 25,846 |
| Depreciation | 3,642 | 5,799 | 63 | 9,504 |
| Travel | 15 | 8 | 2 | 25 |
| Other | 330 | 5 | - | 335 |
| TOTAL OPERATING EXPENSES | 30,340 | 21,276 | 249 | 51,864 |
| NET INCOME/CHANGE IN RETAINED EARNINGS | 19 | 5,621 | 1 | 5,640 |
| FUND EQUITY, JULY 1 | 7,961 | 63,131 | 549 | 71,642 |
| Prior Period Adjustment | (2,531) | - | - | (2,531) |
| FUND BALANCE, JUNE 30 | $ 5,449 | $68,753 | $ 550 | $74,751 |

# COLORADO

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 1989

**(Dollars in Thousands)**

| | ADMINISTRATION | HIGHWAYS | PUBLIC SAFETY | TOTALS |
|---|---|---|---|---|
| SOURCES OF WORKING CAPITAL: | | | | |
| Operations: | | | | |
| Net Income | $ 19 | $ 5,621 | $ 1 | $ 5,641 |
| Item Not Requiring Working Capital: | | | | |
| Depreciation | 3,642 | 5,799 | 63 | 9,504 |
| Working Capital Provided by Operations | 3,661 | 11,420 | 64 | 15,145 |
| Net Increase In: | | | | |
| Capital Lease Obligations | 1,617 | - | - | 1,617 |
| Accrued Compensated Absences | 138 | - | - | 138 |
| TOTAL SOURCES OF WORKING CAPITAL | 5,416 | 11,420 | 64 | 16,900 |
| USES OF WORKING CAPITAL: | | | | |
| Net Increase In: | | | | |
| Property, Plant and Equipment | 3,476 | 13,852 | 1 | 17,329 |
| Net Decrease In: | | | | |
| Capital Lease Obligations | - | 518 | - | 518 |
| Beginning Fund Equity | 2,531 | - | - | 2,531 |
| TOTAL USES OF WORKING CAPITAL | 6,007 | 14,370 | 1 | 20,378 |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | $ (591) | $(2,950) | $63 | $(3,478) |
| ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL: | | | | |
| Cash and Short-Term Investments | $1,215 | $6,132 | $22 | $7,369 |
| Receivables, net | 2 | - | - | 2 |
| Due From Other Governments | (105) | (4) | (2) | (111) |
| Due From Other Funds | 13 | (8,892) | - | (8,879) |
| Inventories | (469) | 14 | - | (455) |
| Other Current Assets | 43 | - | 1 | 44 |
| Liability to Pooled Cash | 1,625 | - | - | 1,625 |
| Accounts Payable and Accruals | (2,906) | (200) | 41 | (3,065) |
| Due to Other Funds | 11 | - | 1 | 12 |
| Deferred Revenue | (20) | - | - | (20) |
| NET INCREASE (DECREASE) IN WORKING CAPITAL | $(591) | $(2,950) | $63 | $(3,478) |

# TRUST AND AGENCY FUNDS

The Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity. The major components of these funds are:

## EXPENDABLE TRUST FUNDS

### UNEMPLOYMENT INSURANCE

This fund accounts for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

### STATE TREASURER

This fund is used to record various trust items managed by the State Treasurer's Office, principally, the severance tax trust accounts, escheat accounts, and the public school income moneys.

### LAND BOARD

This fund accounts for the disposition of revenues from State land, surface leases, oil and timber sales.

### VICTIMS COMPENSATION

This fund accounts for money received as a surcharge on fines levied in State courts and distributed to crime victims.

### STATE EMPLOYEES AND OFFICIALS INSURANCE

This fund accounts for the self-insured health insurance for State employees which is administered by Blue Cross/Blue Shield and for life and dental insurance programs.

## AGENCY FUNDS

These funds are held in custody for others. Major items include judicial and highway contractors escrow accounts, sales taxes collected for cities and counties, deposits held to insure land restoration by miners, assets held for a water and power authority, and deferred compensation funds deposited by State employees.

## NONEXPENDABLE TRUST FUNDS

These funds consists primarily of money received from the proceeds of lands granted to the State by the Federal government for educational purposes.

# COLORADO

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## COMBINING BALANCE SHEET
## FIDUCIARY FUND TYPES
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | EXPENDABLE TRUST | NONEXPENDABLE TRUST | AGENCY | TOTALS |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Short-Term Investments | $241,195 | $ 28,367 | $117,923 | $387,486 |
| Investments | - | 150,495 | 112,680 | 263,175 |
| Taxes Receivable, net | 59,889 | - | 32,177 | 92,066 |
| Other Receivables, net | 7,012 | 727 | 20 | 7,759 |
| Due From Other Governments | 6,006 | - | - | 6,006 |
| Due From Other Funds | 2,390 | 167 | 114 | 2,670 |
| Inventories | 2 | - | - | 2 |
| Other Current Assets | 594 | - | - | 594 |
| Property, Plant and Equipment, net | 2,802 | 7,554 | - | 10,356 |
| Other Long-Term Assets | - | 3,286 | - | 3,286 |
| TOTAL ASSETS | $319,890 | $190,597 | $262,915 | $773,401 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $17,265 | $ - | $ - | $ 17,265 |
| Due To Other Governments | 60 | - | 52,846 | 52,906 |
| Due To Other Funds | 3,428 | - | 4,334 | 7,763 |
| Deferred Revenue | 3,182 | - | - | 3,182 |
| Accrued Compensated Absences | 761 | - | - | 761 |
| Other Long-Term Liabilities | 5,500 | - | 205,734 | 211,234 |
| TOTAL LIABILITIES | 30,196 | - | 262,915 | 293,111 |
| FUND EQUITY: | | | | |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Other Specific Purposes | 289,694 | 190,596 | - | 480,290 |
| TOTAL FUND EQUITY | 289,694 | 190,596 | - | 480,290 |
| TOTAL LIABILITIES AND FUND EQUITY | $319,890 | $190,597 | $262,915 | $773,401 |

# COLORADO

## COMBINING BALANCE SHEET
## EXPENDABLE TRUST FUNDS
## JUNE 30, 1989
(DOLLARS IN THOUSANDS)

| | VICTIMS COMPENSATION | UNEMPLOYMENT INSURANCE | LAND BOARD | STATE TREASURER |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash and Short-Term Investments | $4,758 | $193,842 | $ 406 | $23,810 |
| Taxes Receivable, net | - | 59,889 | - | - |
| Other Receivables, net | - | 2,503 | - | 3,239 |
| Due From Other Governments | - | 5,862 | - | - |
| Due From Other Funds | - | - | - | 2,372 |
| Inventories | - | - | - | - |
| Other Current Assets | - | - | - | 3 |
| Property, Plant and Equipment, net | - | - | - | - |
| TOTAL ASSETS | $4,758 | $262,095 | $ 406 | $29,424 |
| LIABILITIES: | | | | |
| Accounts Payable and Accrued Liabilities | $ 17 | $ 11,349 | $ 74 | $ 2,501 |
| Due To Other Governments | - | 60 | - | - |
| Due To Other Funds | - | - | - | 3,239 |
| Deferred Revenue | - | 22 | 8 | - |
| Accrued Compensated Absences | - | 727 | - | - |
| Other Long-Term Liabilities | - | - | - | - |
| TOTAL LIABILITIES | 18 | 12,158 | 82 | 5,740 |
| FUND EQUITY: | | | | |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Other Specific Purposes | 4,740 | 249,937 | 324 | 23,684 |
| TOTAL FUND EQUITY | 4,740 | 249,937 | 324 | 23,684 |
| TOTAL LIABILITIES AND FUND EQUITY | $4,758 | $262,095 | $ 406 | $29,424 |

| STATE EMPLOYEES & OFFICIALS INSURANCE | OTHER EXPENDABLE TRUSTS | TOTALS |
|---|---|---|
| $7,105 | $11,275 | $241,195 |
| - | - | 59,889 |
| 83 | 1,187 | 7,012 |
| - | 144 | 6,006 |
| 16 | 3 | 2,390 |
| - | 2 | 2 |
| 591 | - | 594 |
| - | 2,802 | 2,802 |
| $7,795 | $15,412 | $319,890 |
| | | |
| $2,941 | $ 383 | $ 17,265 |
| - | - | 60 |
| - | 189 | 3,428 |
| 2,766 | 385 | 3,182 |
| 32 | 2 | 761 |
| 5,500 | - | 5,500 |
| 11,240 | 958 | 30,196 |
| | | |
| (3,445) | 14,454 | 289,694 |
| (3,445) | 14,454 | 289,694 |
| | | |
| $7,795 | $15,412 | $319,890 |

# COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1989

(DOLLARS IN THOUSANDS)

| | VICTIMS COMPENSATION | UNEMPLOYMENT INSURANCE | LAND BOARD | STATE TREASURER |
|---|---|---|---|---|
| REVENUES: | | | | |
| Taxes | $ - | $202,158 | $ - | $ - |
| License, Permits, and Fines | 3,563 | - | - | - |
| Charges for Goods and Services | - | - | - | 41 |
| Interest and Rents | - | 914 | 10,726 | 21,559 |
| Federal Grants and Contracts | - | 6,883 | - | - |
| Other | 5,693 | 14,481 | 34 | 5,042 |
| TOTAL REVENUES | 9,257 | 224,436 | 10,760 | 26,642 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government | - | - | - | 4,565 |
| Business, Community and Consumer Affairs | - | - | - | - |
| Education | - | - | - | - |
| Health and Rehabilitation | - | - | - | - |
| Justice | 8,502 | - | - | - |
| Natural Resources | - | - | 7,498 | - |
| Social Assistance | - | 159,718 | - | - |
| Capital Outlay | - | 111 | - | 24 |
| Intergovernmental | | | | |
| Special Districts | - | - | - | - |
| TOTAL EXPENDITURES | 8,502 | 159,829 | 7,498 | 4,589 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 755 | 64,607 | 3,262 | 22,053 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating Transfer-Out | - | - | - | (21,567) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | (21,567) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 755 | 64,607 | 3,262 | 486 |
| FUND BALANCE, JULY 1 | 3,985 | 185,330 | (2,939) | 23,198 |
| FUND BALANCE, JUNE 30 | $4,740 | $249,937 | $ 324 | $23,684 |

| STATE EMPLOYEES & OFFICIALS INSURANCE | OTHER EXPENDABLE TRUSTS | TOTALS |
|---|---|---|
| $ - | $ - | $202,158 |
| - | 3,053 | 6,617 |
| 21,973 | 153 | 22,166 |
| 311 | (6,026) | 27,484 |
| - | 4,958 | 11,841 |
| 6,902 | 861 | 33,013 |
| 29,185 | 2,998 | 303,278 |
| | | |
| 30,105 | 54 | 34,724 |
| - | 1,304 | 1,304 |
| - | 680 | 680 |
| - | 2,490 | 2,490 |
| - | 2,041 | 10,543 |
| - | (7,297) | 201 |
| - | 104 | 159,822 |
| - | 46 | 181 |
| - | 10 | 10 |
| 30,105 | (567) | 209,954 |
| | | |
| (920) | 3,566 | 93,324 |
| | | |
| - | (966) | (22,534) |
| - | (966) | (22,534) |
| | | |
| (920) | 2,599 | 70,790 |
| | | |
| (2,525) | 11,855 | 218,904 |
| $(3,445) | $14,454 | $289,694 |

# COLORADO

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 1989

**(Dollars in Thousands)**

| | BALANCE JULY 1 | NET CHANGE | BALANCE JUNE 30 |
|---|---|---|---|
| *TAXES AND ASSESSMENTS COLLECTED FOR OTHER FUNDS:* | | | |
| Cash and Short-Term Investments | $20,667 | $ 5,496 | $26,163 |
| Taxes Receivable, net | 26,726 | 5,451 | 32,177 |
| TOTAL ASSETS | $47,394 | $10,946 | $58,340 |
| Accounts Payable and Accrued Liabilities | $ 940 | $ (58) | $ 882 |
| Due To Other Governments | 42,547 | 10,299 | 52,846 |
| Due To Other Funds | 3,607 | 727 | 4,334 |
| Other Long-Term Liabilities | 300 | (22) | 278 |
| TOTAL LIABILITIES | $47,394 | $10,946 | $58,340 |
| *WATER AUTHORITY, MINERAL LEASE, AND OTHER COLLECTIONS FUND:* | | | |
| Cash and Short-Term Investments | $ 9,248 | $ 3,277 | $12,525 |
| Investments | 43,257 | (2,572) | 40,685 |
| TOTAL ASSETS | $52,504 | $ 706 | $53,210 |
| Accounts Payable and Accrued Liabilities | $52,300 | $ 910 | $53,210 |
| Due To Other Governments | 204 | (204) | - |
| TOTAL LIABILITIES | $52,504 | $ 706 | $53,210 |
| *STATE EMPLOYEES DEFERRED COMPENSATION FUNDS:* | | | |
| Cash and Short-Term Investments | $ - | $ (9) | $ (9) |
| Investments | 54,169 | 17,762 | 71,931 |
| Due From Other Funds | | 11 | 11 |
| TOTAL ASSETS | $54,169 | $17,764 | $71,933 |
| Accounts Payable and Accrued Liabilities | $ | $ 2 | $ 2 |
| Other Long-Term Liabilities | 54,169 | 17,762 | 71,931 |
| TOTAL LIABILITIES | $54,169 | $17,764 | $71,933 |
| *OTHER AGENCY FUNDS:* | | | |
| Cash and Short-Term Investments | $62,839 | $16,396 | $79,235 |
| Investments | 44 | 20 | 64 |
| Other Receivables, net | 11 | 9 | 20 |
| Due From Other Governments | 72 | 42 | 114 |
| Due From Other Funds | 150 | (150) | - |
| TOTAL ASSETS | $63,116 | $16,317 | $79,433 |
| Accounts Payable and Accrued Liabilities | $63,071 | $16,362 | $79,433 |
| Due To Other Funds | 45 | (45) | - |
| TOTAL LIABILITIES | $63,116 | $16,317 | $79,433 |

| | BALANCE JULY 1 | NET CHANGE | BALANCE JUNE 30 |
|---|---|---|---|
| *TOTALS - ALL AGENCY FUNDS:* | | | |
| Cash and Short-Term Investments | $ 92,754 | $25,169 | $117,923 |
| Investments | 97,470 | 15,210 | 112,680 |
| Taxes Receivable, net | 26,726 | 5,451 | 32,177 |
| Other Receivables, net | 11 | 9 | 20 |
| Due From Other Governments | 72 | 42 | 114 |
| Due From Other Funds | 150 | (150) | - |
| TOTAL ASSETS | $217,183 | $45,732 | $262,915 |
| Accounts Payable and Accrued Liabilities | $116,311 | $17,214 | $133,525 |
| Due To Other Governments | 42,751 | 10,095 | 52,846 |
| Due To Other Funds | 3,652 | 682 | 4,334 |
| Other Long-Term Liabilities | 54,469 | 17,740 | 72,209 |
| TOTAL LIABILITIES | $217,183 | $45,732 | $262,915 |

# COLORADO

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# GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets acquired for general governmental purposes. These include all land, buildings, and equipment except those of the Enterprise, Internal Service, Trust and Agency, and College and University funds.

# COLORADO

## SCHEDULE OF GENERAL FIXED ASSETS
## BY FUNCTION AND DEPARTMENT
## FOR THE YEAR ENDED JUNE 30, 1989
**(Dollars in Thousands)**

| FUNCTION/Department | Land & Improvements | Buildings | Leasehold Improvements | Equip. | Construction In Progress | Other Fixed Assets | Totals |
|---|---|---|---|---|---|---|---|
| GENERAL GOVERNMENT: | | | | | | | |
| Administration | $ 2,905 | $ 42,774 | $ - | $ 8,481 | $ 14,007 | $ - | $ 68,167 |
| Agriculture | 1,244 | 4,791 | - | 2,119 | 266 | - | 8,420 |
| Governors Office | - | - | - | 656 | - | - | 656 |
| Legislature | - | - | - | 1,240 | - | 78 | 1,318 |
| Military Affairs | 688 | 9,208 | - | 375 | - | - | 10,271 |
| Personnel | - | - | - | 344 | - | - | 344 |
| Revenue | 450 | 6,310 | 2 | 14,832 | 34 | - | 20,627 |
| State | - | 183 | - | 2,715 | - | - | 2,898 |
| Treasury | - | - | - | 76 | - | - | 76 |
| | 5,286 | 62,266 | 2 | 30,838 | 14,307 | 78 | 112,777 |
| EDUCATION: | | | | | | | |
| Education | 212 | 6,218 | - | 3,290 | - | - | 8,718 |
| Higher Education | 2,269 | 4,874 | - | 1,597 | 293 | - | 9,039 |
| | 2,482 | 10,094 | - | 4,888 | 293 | - | 17,757 |
| BUSINESS, COMMUNITY & CONSUMER AFFAIRS: | | | | | | | |
| Labor and Employment | 618 | 2,808 | - | 6,540 | - | - | 9,966 |
| Local Affairs | - | 978 | - | 1,344 | - | - | 2,322 |
| Regulatory Agencies | - | - | - | 1,765 | - | - | 1,765 |
| | 618 | 3,786 | - | 9,649 | - | - | 14,053 |
| HEALTH AND REHABILITATION: | | | | | | | |
| Health | 265 | 2,121 | - | 6,570 | - | - | 8,955 |
| Institutions (excl. Youth Svcs.) | 5,442 | 71,772 | 25 | 15,522 | 13,963 | - | 106,723 |
| | 5,706 | 73,892 | 25 | 22,092 | 13,963 | - | 115,678 |
| JUSTICE: | | | | | | | |
| Corrections | 22,934 | 76,877 | - | 12,210 | 59,713 | - | 171,733 |
| Institutions (Youth Services) | 75 | 5,891 | - | 1,433 | 33,465 | - | 40,864 |
| Judicial | 1,665 | 11,835 | - | 6,248 | - | - | 19,689 |
| Law | - | - | - | 143 | - | - | 143 |
| Public Safety | 65 | 2,943 | - | 21,339 | - | - | 24,347 |
| | 24,678 | 97,547 | - | 41,373 | 93,178 | - | 256,776 |
| NATURAL RESOURCES: | | | | | | | |
| Natural Resources | 82,091 | 19,245 | 8,670 | 19,800 | 18,438 | 7,761 | 156,006 |
| SOCIAL ASSISTANCE: | | | | | | | |
| Social Services | 8 | 142 | 736 | 9,086 | - | - | 9,972 |
| TRANSPORTATION: | | | | | | | |
| Highways | 2,283 | 27,051 | - | 471 | - | - | 29,805 |
| TOTAL GENERAL FIXED ASSETS | $ 23,153 | $294,023 | $ 9,432 | $138,198 | $140,179 | $ 7,840 | $712,825 |

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT FOR THE YEAR ENDED JUNE 30, 1989

**(Dollars in Thousands)**

| FUNCTION/Department | Balance July 1 | Additions | Deletions | Balance June 30 |
|---|---|---|---|---|
| GENERAL GOVERNMENT: | | | | |
| Administration | $ 72,956 | $ 1,289 | $ 6,078 | $ 68,167 |
| Agriculture | 7,339 | 1,150 | 69 | 8,420 |
| Governors Office | 454 | 315 | 112 | 656 |
| Legislature | 1,322 | 301 | 305 | 1,318 |
| Military Affairs | 8,268 | 2,087 | 84 | 10,271 |
| Personnel | 293 | 51 | - | 344 |
| Revenue | 23,875 | 1,775 | 5,023 | 20,627 |
| State | 2,623 | 274 | - | 2,898 |
| Treasury | 104 | - | 28 | 76 |
| | 117,234 | 7,242 | 11,698 | 112,777 |
| EDUCATION: | | | | |
| Education | 8,597 | 459 | 338 | 8,718 |
| Higher Education | 8,160 | 1,051 | 172 | 9,039 |
| | 16,757 | 1,510 | 510 | 17,757 |
| BUSINESS, COMMUNITY & CONSUMER AFFAIRS: | | | | |
| Labor and Employment | 11,921 | 1,805 | 3,760 | 9,966 |
| Local Affairs | 2,255 | 176 | 109 | 2,322 |
| Regulatory Agencies | 1,432 | 333 | - | 1,765 |
| | 15,608 | 2,314 | 3,868 | 14,053 |
| HEALTH AND REHABILITATION: | | | | |
| Health | 8,775 | 1,225 | 1,044 | 8,955 |
| Institutions (excl. Youth Svcs.) | 97,869 | 10,882 | 2,029 | 106,723 |
| | 106,644 | 12,107 | 3,074 | 115,678 |
| JUSTICE: | | | | |
| Corrections | 113,189 | 58,822 | 278 | 171,733 |
| Institutions (Youth Services) | 24,506 | 17,127 | 768 | 40,864 |
| Judicial | 19,489 | 210 | 10 | 19,689 |
| Law | 143 | - | - | 143 |
| Public Safety | 22,177 | 3,362 | 1,192 | 24,347 |
| | 179,504 | 79,520 | 2,248 | 256,776 |
| NATURAL RESOURCES: | | | | |
| Natural Resources | 147,218 | 9,742 | 954 | 156,006 |
| SOCIAL ASSISTANCE: | | | | |
| Social Services | 9,116 | 1,789 | 934 | 9,972 |
| TRANSPORTATION: | | | | |
| Highways | 28,129 | 1,710 | 33 | 29,805 |
| TOTAL GENERAL FIXED ASSETS | $620,210 | $115,933 | $23,319 | $712,825 |

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# STATISTICAL SECTION

# COLORADO

## REVENUES BY SOURCE
## EXPENDITURES BY FUNCTION
## AND OTHER FINANCING SOURCES (USES)
## ALL GOVERNMENTAL FUND TYPES
**Last Ten Fiscal Years**

(Amounts in Millions)

| | 1988-89 | 1987-88 | 1986-87 |
|---|---|---|---|
| **REVENUES AND OTHER FINANCING SOURCES:** | | | |
| Taxes | $3,052 | $2,778 | $2,667 |
| Licenses, Permits, and Fines | 74 | 154 | 146 |
| Charges for Goods and Services | 83 | 74 | 57 |
| Interest and Rents | 107 | 81 | 83 |
| Federal Grants and Contracts | 1,119 | 1,073 | 1,043 |
| Other | 129 | 141 | 91 |
| Transfers-In | 236 | 163 | 208 |
| **Total Revenues and Other Sources** | **$4,800** | **$4,464** | **$4,295** |
| **EXPENDITURES AND OTHER USES BY FUNCTION:** | | | |
| General Government | $195 | $168 | $155 |
| Business, Community and Consumer Affairs | 104 | 130 | 117 |
| Education | 37 | 33 | 42 |
| Health and Rehabilitation | 266 | 245 | 233 |
| Justice | 303 | 263 | 239 |
| Natural Resources | 63 | 70 | 67 |
| Social Assistance | 823 | 848 | 821 |
| Transportation | 414 | 400 | 406 |
| Capital Outlay | 131 | 118 | 119 |
| Intergovernmental | | | 1,462 |
| Cities | 91 | 80 | |
| Counties | 402 | 387 | |
| School Districts | 1,076 | 1,010 | |
| Other | 36 | 33 | |
| Debt Service | 7 | 3 | 3 |
| Transfers-Out: | | | |
| Higher Education | 488 | 445 | 384 |
| Other | 202 | 127 | 175 |
| Future Capital Lease Payments | 65 | 1 | 37 |
| **Total Expenditures and Other Uses** | **$4,703** | **$4,361** | **$4,260** |

| 1985-86 | 1984-85 | 1983-84 | 1982-83 | 1981-82 | 1980-81 | 1979-80 |
|---|---|---|---|---|---|---|
| $2,490 | $2,646 | $2,485 | $1,961 | $1,847 | $1,478 | $1,414 |
| 128 | 205 | 173 | 143 | 135 | 97 | 101 |
| 62 | 62 | 362 | 302 | 288 | 252 | 237 |
| 115 | 143 | 142 | 114 | 188 | 155 | 114 |
| 988 | 878 | 985 | 942 | 837 | 810 | 771 |
| 82 | 282 | 139 | 135 | 137 | 105 | 110 |
| 324 | 236 | 252 | 263 | 238 | 166 | 134 |
| **$4,189** | **$4,452** | **$4,538** | **$3,860** | **$3,670** | **$3,063** | **$2,881** |
| | | | | | | |
| $167 | $308 | $226 | $291 | $234 | $169 | $160 |
| 116 | 187 | 95 | 64 | 67 | 79 | 46 |
| 34 | 1,296 | 1,708 | 1,531 | 1,404 | 1,318 | 1,288 |
| 235 | 247 | 229 | 212 | 188 | 179 | 161 |
| 222 | 183 | 151 | 139 | 134 | 116 | 108 |
| 58 | 78 | 76 | 91 | 118 | 90 | 57 |
| 670 | 877 | 907 | 938 | 726 | 702 | 578 |
| 408 | 770 | 672 | 535 | 463 | 354 | 372 |
| 99 | 86 | 112 | 87 | 94 | 87 | |
| 1,426 | | | | | | |
| | | | | | | |
| 3 | 2 | 21 | 15 | 14 | 14 | |
| 386 | 348 | | | | | |
| 285 | 204 | 183 | 217 | 217 | 165 | 74 |
| **$4,109** | **$4,586** | **$4,380** | **$4,120** | **$3,659** | **$3,273** | **$2,844** |

# COLORADO

## GENERAL FUND
## GROSS GENERAL REVENUE
## IN DOLLARS AND AS A PERCENT OF TOTAL
**Last Ten Fiscal Years**

(Amounts in Millions)

| | 1988-89 | 1987-88 | 1986-87 |
|---|---|---|---|
| Income Tax: | | | |
| Individual | $1,551 | $1,410 | $1,320 |
| Corporate | 193 | 146 | 159 |
| Refunds | (267) | (248) | (261) |
| Net Income Tax | 1,477 | 1,308 | 1,218 |
| Sales, Use, and Excise Taxes | 833 | 814 | 811 |
| Inheritance and Gift Taxes | 15 | 13 | 18 |
| Other Taxes | 92 | 88 | 93 |
| Interest and Rents | 16 | 6 | 11 |
| Fiscal Emergency Fund | | | |
| Other | 50 | 54 | 26 |
| **Total General Revenues** | **$2,483** | **$2,283** | **$2,177** |

(Amount as Percent)

| | | | |
|---|---|---|---|
| Net Income Tax | 59.5% | 57.3% | 55.9% |
| Sales, Use, and Excise Taxes | 33.5 | 35.7 | 37.3 |
| Inheritance and Gift Taxes | 0.6 | 0.6 | 0.8 |
| Other Taxes | 3.7 | 3.9 | 4.3 |
| Interest and Rents | 0.6 | 0.3 | 0.5 |
| Fiscal Emergency Fund | 0.0 | 0.0 | 0.0 |
| Other | 2.0 | 2.4 | 1.2 |
| **Total General Revenues** | **100.0%** | **100.0%** | **100.0%** |

| 1985-86 | 1984-85 | 1983-84 | 1982-83 | 1981-82 | 1980-81 | 1979-80 |
|---|---|---|---|---|---|---|
| $1,230 | $1,201 | $1,050 | $956 | $866 | $757 | $709 |
| 139 | 136 | 141 | 110 | 126 | 107 | 131 |
| (271) | (336) | (300) | (296) | (282) | (300) | (257) |
| 1,098 | 1,001 | 891 | 770 | 710 | 564 | 583 |
| 816 | 819 | 770 | 664 | 681 | 605 | 601 |
| 14 | 14 | 11 | 9 | 12 | 7 | 26 |
| 88 | 72 | 65 | 60 | 57 | 50 | 48 |
| 21 | 34 | 5 | 8 | 35 | 38 | 54 |
| | | 116 | 106 | | | |
| 50 | 25 | 31 | 24 | 22 | 53 | 43 |
| **$2,087** | **$1,965** | **$1,889** | **$1,641** | **$1,517** | **$1,317** | **$1,355** |
| | | | | | | |
| 52.6% | 50.9% | 47.2% | 46.9% | 46.8% | 42.8% | 43.0% |
| 39.1 | 41.7 | 40.8 | 40.5 | 44.9 | 45.9 | 44.4 |
| 0.7 | 0.7 | 0.6 | 0.5 | 0.8 | 0.5 | 1.9 |
| 4.2 | 3.7 | 3.4 | 3.7 | 3.8 | 3.8 | 3.5 |
| 1.0 | 1.7 | 0.3 | 0.5 | 2.3 | 2.9 | 4.0 |
| 0.0 | 0.0 | 6.1 | 6.5 | 0.0 | 0.0 | 0.0 |
| 2.4 | 1.3 | 1.6 | 1.5 | 1.5 | 4.0 | 3.2 |
| **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

# COLORADO

## EXPENDITURES BY DEPARTMENT
## TOTAL OF ALL FUND TYPES
**Last Four Fiscal Years**

(Amounts in Thousands)

| DEPARTMENT | 1988-89 | 1987-88 | 1986-87 | 1985-86 |
|---|---|---|---|---|
| Legislature | $16,725 | $15,238 | $13,948 | $13,546 |
| Judicial | 109,516 | 100,411 | 92,476 | 89,517 |
| Governor | 40,166 | 29,876 | 25,633 | 25,935 |
| Administration | 94,560 | 56,430 | 61,135 | 56,132 |
| Agriculture | 12,967 | 12,096 | 10,998 | 11,445 |
| Education | 1,099,574 | 1,031,700 | 972,020 | 937,975 |
| Health | 124,918 | 112,193 | 94,053 | 80,758 |
| Higher Education | 1,579,714 | 1,429,895 | 1,357,202 | 1,255,714 |
| Highways | 487,207 | 476,121 | 469,235 | 457,687 |
| Institutions | 240,463 | 220,954 | 197,163 | 210,190 |
| Labor & Employment | 221,037 | 257,863 | 545,228 | 454,811 |
| Law | 14,658 | 11,878 | 14,261 | 16,637 |
| Local Affairs | 71,813 | 73,956 | 57,184 | 68,306 |
| Military Affairs | 4,212 | 3,303 | 2,974 | 2,693 |
| Natural Resources | 85,601 | 94,888 | 82,736 | 75,076 |
| Personnel | 3,837 | 3,575 | 3,197 | 3,196 |
| Regulatory Agencies | 26,349 | 29,576 | 27,430 | 23,177 |
| Revenue | 119,521 | 124,100 | 130,660 | 125,339 |
| Social Services | 909,716 | 927,323 | 838,860 | 719,547 |
| State | 3,858 | 4,088 | 3,978 | 2,398 |
| Treasury | 134,370 | 125,285 | 129,600 | 113,086 |
| Corrections | 125,428 | 96,950 | 99,961 | 87,041 |
| Public Safety | 62,252 | 57,259 | 54,412 | 42,226 |
| Unclassified by Department | 53,933 | 48,597 | 45,370 | 81,721 |
| **Total** | **$5,642,395** | **$5,343,555** | **$5,329,714** | **$4,954,153** |

## EXPENDITURES BY DEPARTMENT
## TOTAL OF ALL FUND TYPES
**Last Four Fiscal Years**

(As Percent of Total)

| DEPARTMENT | 1988-89 | 1987-88 | 1986-87 | 1985-86 |
|---|---|---|---|---|
| Legislature | 0.3% | 0.3% | 0.3% | 0.3% |
| Judicial | 1.9 | 1.9 | 1.7 | 1.8 |
| Governor | 0.7 | 0.6 | 0.5 | 0.5 |
| Administration | 1.7 | 1.1 | 1.1 | 1.1 |
| Agriculture | 0.2 | 0.2 | 0.2 | 0.2 |
| Education | 19.5 | 19.3 | 18.2 | 18.9 |
| Health | 2.2 | 2.1 | 1.8 | 1.6 |
| Higher Education | 28.0 | 26.8 | 25.5 | 25.3 |
| Highways | 8.6 | 8.9 | 8.8 | 9.2 |
| Institutions | 4.3 | 4.1 | 3.7 | 4.2 |
| Labor & Employment | 3.9 | 4.8 | 10.2 | 9.2 |
| Law | 0.3 | 0.2 | 0.3 | 0.3 |
| Local Affairs | 1.3 | 1.4 | 1.1 | 1.4 |
| Military Affairs | 0.1 | 0.1 | 0.1 | 0.1 |
| Natural Resources | 1.5 | 1.8 | 1.6 | 1.5 |
| Personnel | 0.1 | 0.1 | 0.1 | 0.1 |
| Regulatory Agencies | 0.5 | 0.6 | 0.5 | 0.5 |
| Revenue | 2.1 | 2.3 | 2.5 | 2.5 |
| Social Services | 16.1 | 17.4 | 15.7 | 14.5 |
| State | 0.1 | 0.1 | 0.1 | 0.0 |
| Treasury | 2.4 | 2.3 | 2.4 | 2.3 |
| Corrections | 2.2 | 1.8 | 1.9 | 1.8 |
| Public Safety | 1.1 | 1.1 | 1.0 | 0.9 |
| Unclassified by Department | 1.0 | 0.9 | 0.9 | 1.6 |
| **Total** | 100.0% | 100.0% | 100.0% | 100.0% |

# COLORADO

**REVENUE BOND COVERAGE**
**Last Nine Fiscal Years**

(Amounts in Thousands)

| Fiscal Year | Gross Revenue | Direct Operating Expenses | Net Revenue Available For Debt Services | Debt Service Requirements | | | Coverage |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | |
| **Higher Education Facilities** | | | | | | | |
| 1988-89 | $131,217 | $106,078 | $25,139 | $4,156 | $8,950 | $13,106 | 1.92 |
| 1987-88 | 123,254 | 99,836 | 23,418 | 3,976 | 8,574 | 12,550 | 1.87 |
| 1986-87 | 115,429 | 93,857 | 21,572 | 5,247 | 7,827 | 13,074 | 1.65 |
| 1985-86 | 110,055 | 93,245 | 16,810 | 6,910 | 8,347 | 15,257 | 1.10 |
| 1984-85 | 105,289 | 88,302 | 16,987 | 3,934 | 6,472 | 10,406 | 1.63 |
| 1983-84 | 100,279 | 81,970 | 18,309 | 4,630 | 6,700 | 11,330 | 1.62 |
| 1982-83 | 96,529 | 77,154 | 19,375 | 4,746 | 7,104 | 11,850 | 1.64 |
| 1981-82 | 93,298 | 75,367 | 17,931 | 4,697 | 7,321 | 12,018 | 1.49 |
| 1980-81 | 89,324 | 73,270 | 16,054 | 4,443 | 7,668 | 12,111 | 1.33 |
| **Trinidad State Nursing Home** | | | | | | | |
| 1988-89 | $3,942 | $3,820 | $122 | $105 | $17 | $122 | 1.00 |
| 1987-88 | 3,832 | 3,710 | 122 | 100 | 22 | 122 | 1.00 |
| 1986-87 | 3,174 | 3,053 | 121 | 95 | 26 | 121 | 1.00 |
| 1985-86 | 3,090 | 2,967 | 123 | 90 | 33 | 123 | 1.00 |
| 1984-85 | 2,900 | 2,776 | 124 | 85 | 39 | 124 | 1.00 |
| 1983-84 | 2,824 | 2,701 | 123 | 80 | 43 | 123 | 1.00 |
| 1982-83 | 2,579 | 2,462 | 117 | 75 | 42 | 117 | 1.00 |
| 1981-82 | 2,433 | 2,313 | 120 | 70 | 50 | 120 | 1.00 |
| 1980-81 | 2,239 | 2,120 | 119 | 70 | 49 | 119 | 1.00 |

## COLORADO SALES AND ASSESSED PROPERTY VALUES 1978-1989

(Amounts in Billions)

| Year | Retail Sales | Wholesale[1] Sales | Assessed Property Values |
|---|---|---|---|
| 1989 est | $28.2 | $16.0 | Not Available |
| 1988 | 26.4 | 17.8 | $31.6[2] |
| 1987 | 24.5 | 15.9 | 33.3[2] |
| 1986 | 24.3 | 15.2 | 19.2 |
| 1985 | 24.3 | 15.7 | 18.7 |
| 1984 | 23.0 | 14.9 | 17.9 |
| 1983 | 21.2 | 13.6 | 17.2 |
| 1982 | 19.5 | 13.3 | 15.7 |
| 1981 | 19.0 | 12.4 | 14.8 |
| 1980 | 16.7 | 11.7 | 13.7 |
| 1979 | 15.5 | 11.4 | 12.5 |
| 1978 | 13.2 | 9.5 | 11.6 |

[1]Includes only those sales reported on sales tax reports.
[2]1987 and 1988 assessments based on 1985 values, previous years based on 1977 values.

Source: Colorado Dept. of Revenue, Colorado Div. of Property Taxation.

# COLORADO

## VALUE OF TOTAL CONSTRUCTION IN COLORADO BY TYPE 1979-1989

(Amounts in Millions)

| Year | Residential | Non-Residential | Non-Building | Total |
|---|---|---|---|---|
| 1989 est | $1,100.0 | $958.8 | $703.7 | $2,762.5 |
| 1988 est | 1,200.0 | 940.0 | 594.4 | 2,734.4 |
| 1987 | 1,516.9 | 969.0 | 696.8 | 3,182.7 |
| 1986 | 2,014.0 | 1,201.5 | 573.8 | 3,789.3 |
| 1985 | 2,180.2 | 1,726.1 | 760.5 | 4,666.8 |
| 1984 | 2,517.4 | 1,702.0 | 505.9 | 4,725.3 |
| 1983 | 2,597.2 | 1,566.3 | 593.5 | 4,757.0 |
| 1982 | 1,654.9 | 1,564.4 | 902.2 | 4,121.5 |
| 1981 | 1,478.9 | 1,884.0 | 1,019.8 | 4,382.7 |
| 1980 | 1,284.0 | 967.4 | 540.3 | 2,791.7 |
| 1979 | 1,760.0 | 959.8 | 459.4 | 3,179.2 |

Source: F.W. Dodge Company and Colorado Business/Economic Outlook Committee.

## COLORADO BANK DEPOSITS AND RESIDENTIAL HOUSING 1979-1988

| Year | Residential Housing Permits (Thousands) | Bank Deposits (Millions) | Savings & Loan Deposits (Millions) | Credit Union Deposits (Millions) | Total Deposits (Millions) |
|---|---|---|---|---|---|
| 1989 est | NA | $21,745 | $11,132 | $3,237 | $36,114 |
| 1988 est | 12.9 | 20,910 | 10,914 | 3,083 | 34,907 |
| 1987 | 18.0 | 20,500 | 10,700 | 2,936 | 34,136 |
| 1986 | 31.0 | 21,600 | 9,980 | 2,706 | 34,286 |
| 1985 | 32.8 | 21,100 | 9,520 | 2,436 | 33,156 |
| 1984 | 44.3 | 19,300 | 8,880 | 1,866 | 30,646 |
| 1983 | 51.3 | 18,200 | 7,170 | 907 | 26,277 |
| 1982 | 31.8 | 16,418 | 7,457 | 1,184 | 25,059 |
| 1981 | 29.4 | 14,659 | 7,926 | 1,105 | 23,690 |
| 1980 | 30.1 | 13,391 | 7,508 | 990 | 21,889 |
| 1979 | 42.8 | 12,351 | 6,745 | 930 | 20,026 |

Source: Colorado Dept. of Regulatory Agencies and Colorado Business/Economic Outlook Committee.

## COLORADO DEMOGRAPHIC DATA
## 1979-1989

| Year | Population (000) | % of U.S. Population | Per Capita Personal Income | % of U.S. Per Capita Income | Employment (000) | Unemployment % |
|---|---|---|---|---|---|---|
| 1989 est | 3,359 | 1.4% | 17,405 | 101.2% | 1,700 | 6.1 |
| 1988 | 3,301 | 1.3 | 16,417 | 99.8 | 1,690 | 6.5 |
| 1987 | 3,293 | 1.3 | 15,605 | 100.8 | 1,697 | 7.7 |
| 1986 | 3,265 | 1.4 | 15,132 | 103.6 | 1,568 | 7.4 |
| 1985 | 3,232 | 1.4 | 14,698 | 105.8 | 1,618 | 5.9 |
| 1984 | 3,189 | 1.3 | 14,093 | 107.5 | 1,617 | 5.6 |
| 1983 | 3,148 | 1.3 | 13,195 | 109.1 | 1,558 | 6.7 |
| 1982 | 3,072 | 1.3 | 12,639 | 110.1 | 1,465 | 7.7 |
| 1981 | 2,984 | 1.3 | 11,866 | 108.4 | 1,450 | 5.2 |
| 1980 | 2,909 | 1.3 | 10,597 | 106.8 | 1,412 | 4.8 |
| 1979 | 2,850 | 1.3 | 9,451 | 104.6 | 1,355 | 4.8 |

Source: Colorado Dept. of Local Affairs and Colorado Business/Economic Outlook Committee.

## COLORADO EMPLOYMENT
## BY INDUSTRY
## 1983-1988

(Amounts in Thousands)

| Industry[1] | 1988 | 1987 | 1986 | 1985 | 1984 | 1983 |
|---|---|---|---|---|---|---|
| Agriculture | 44.5 | 41.5 | 41.6 | 42.1 | 42.7 | 43.2 |
| Mining | 20.8 | 21.3 | 27.4 | 33.0 | 36.0 | 36.1 |
| Construction | 59.1 | 68.5 | 76.3 | 86.0 | 88.3 | 83.0 |
| Manufacturing | 189.2 | 184.2 | 185.3 | 193.0 | 192.3 | 180.7 |
| Transportation, Communication, and Public Utilities | 91.2 | 84.0 | 87.7 | 89.0 | 85.8 | 83.7 |
| Trade | 350.8 | 350.2 | 348.9 | 354.0 | 340.0 | 326.2 |
| Finance, Insurance, and Real Estate | 95.1 | 98.8 | 97.6 | 98.0 | 93.3 | 87.0 |
| Services | 353.0 | 331.8 | 325.0 | 321.0 | 305.4 | 289.7 |
| Government | 266.3 | 261.5 | 254.0 | 249.0 | 243.8 | 240.7 |
| Total | 1,470.0 | 1,441.8 | 1,443.8 | 1,465.1 | 1,427.6 | 1,370.3 |

[1]Excludes nonagricultural self-employed, unpaid family, and domestic workers.

Source: Colorado Div. of Employment and Colorado Business/Economic Outlook Committee.

# COLORADO

MAJOR COLORADO EMPLOYERS
December 31, 1988

| Employer | Number of Employees |
|---|---|
| Federal Government | 55,100 |
| State of Colorado - Non-Higher Education | 21,700 |
| University of Colorado | 19,600 |
| U.S. West | 17,000 |
| Kroger | 14,700 |
| Martin Marietta | 14,100 |
| Colorado State University | 9,100 |
| Adolph Coors Company | 8,900 |
| AT&T | 8,400 |
| Safeway Stores | 8,000 |
| Continental Airlines | 7,500 |
| Jefferson County Schools | 6,500 |
| United Airlines | 6,400 |
| Public Service Company of Colorado | 6,200 |
| Denver Public Schools | 6,000 |
| IBM | 5,800 |

Source: Named employers as of May 31, 1989.